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How Can Leaders Change the Future? The Role of Corporate Leadership in Sustainable Transitions from a Consultancy Perspective

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Master in Management

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Iscte - Instituto Universitário de Lisboa

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BUSINESS
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Department of Marketing, Operations and General Management

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Resumo

Considerando os desafios do mundo contemporâneo, como a natureza multifacetada da sustentabilidade, a conciliação entre o lucro das organizações e as práticas sustentáveis, a falta de experiência na sustentabilidade e a resistência à mudança, a liderança emerge como uma alavanca essencial para fomentar a inovação e a transição sustentável. Neste sentido, ao contribuir teoricamente para uma nova concepção sobre o papel dos futuros líderes nas transições sustentáveis, o estudo visa compreender as questões urgentes que a sociedade de hoje enfrenta, identificar competências necessárias para a liderança nas transições sustentáveis e explorar a existência de diferenças geracionais nas abordagens às transições sustentáveis. Foi realizada uma análise qualitativa com a finalidade de obter uma compreensão imparcial das transições sustentáveis, considerando a percepção de oito consultores de diversas áreas da consultoria *Big Four* experientes em transições sustentáveis. Os resultados contribuem para as discussões a nível social e de gestão, considerando que sob a perspectiva da consultoria, a liderança é um fator crítico no sucesso nas transições sustentáveis e, para isso, os líderes devem integrar práticas sustentáveis na visão estratégica, operações e cultura da organização, envolvendo as partes interessadas e inovando as estratégias organizacionais. Além disso, as competências fundamentais destacadas incluem o pensamento-futuro, a implementação, a adaptabilidade e a humildade. Adicionalmente, as opiniões sobre os impactos geracionais nas abordagens da liderança divergem, alguns consultores afirmam que há diferenças na abordagem às transições sustentáveis, considerando as características da geração a que pertencem, enquanto outros acreditam que a mentalidade e os traços pessoais são mais influentes, independentemente da idade. Para concluir, os consultores enumeraram conselhos para os futuros líderes nas transições sustentáveis, enfatizando a importância da aprendizagem contínua, da inovação e da fomentação de uma visão compartilhada, entre outras recomendações.

Palavras-chave: *Sustentabilidade; Transições Sustentáveis; Liderança; Competências; Diferenças Geracionais; Consultoria.*

JEL Classification System:

Q56 – Sustainability; M12 – Personnel Management; M14 – Corporate Culture

Abstract

Considering the challenges of the contemporary world, such as the multifaceted nature of sustainability, reconciling profit with sustainable practices, a lack of sustainability experience, and resistance to change within organisations, leadership emerges as a key driver in fostering innovation and sustainable transition. In this sense, by theoretically contributing to a new conception of the role of future leaders in sustainable transitions, the study aims to tackle the urgent issues facing today's society, identify necessary competences for leadership in sustainable transitions, and explore generational differences in sustainability approaches. A qualitative analysis from a consultancy perspective was conducted to obtain an unbiased understanding of sustainable transitions, considering the perceptions of eight consultants from diverse fields of Big Four consultancy companies experienced in sustainable transitions. The results contributed to both managerial and societal discussions, considering that it was evident from the consultancy perspective that leadership is a critical factor in the success of sustainable transitions, and for that, leaders must integrate sustainable practices into the organisation's strategic vision, operations, and culture, engaging stakeholders and innovating strategies. Furthermore, the essential competences highlighted include future-thinking, implementation, adaptability and humility. Moreover, perspectives on generational impacts on leadership approaches vary, with some consultants attributing differences to generational characteristics, while others believe that mindset and personal traits are more influential, regardless of age. To conclude the study, consultants provided advice to future leaders on sustainable transitions, emphasising the importance of continuous learning, embracing innovation, and cultivating a shared vision, among other recommendations.

Keywords: *Sustainability; Sustainable Transitions; Leadership; Competences; Generational Differences; Consultancy.*

JEL Classification System:

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List of Acronyms

CSR	Corporate Social Responsibility
CSV	Creating Shared Value
ESG	Environment, Society and Governance
EU	European Union
SDG	Sustainable Development Goal
UN	United Nations
UNCCC	United Nations Climate Change Conference
VUCA	Volatile, Uncertain, Complex and Ambiguous

CHAPTER 1

Introduction

In an era marked by contemporary challenges, extending from climate change, conflicts, the effects of the COVID-19 pandemic and other global challenges, the imperative for sustainability development has never been more pressing (United Nations, 2023). The most quoted definition of sustainability (Sharma & Henriques, 2005) was created by the United Nations (1987), which defined the term as meeting the needs of the present without compromising the ability of future generations to meet their own needs.

The Sustainable Development Goals (SDGs) are considered the universally agreed road map to bridge economic and geopolitical divides, renovate trust and rebuild solidarity, and no country can afford to see the 2030 Agenda fail (United Nations, 2023). With the clock ticking towards the deadline, the responsibility falls upon society to work tirelessly to ensure that the SDGs are not merely aspirational ideals, but concrete achievements realised in their entirety and within the designated timeframe (United Nations, 2023).

To guarantee this sustainability transition, Throop & Mayberry (2017) defend that there is a dual force: the imperative to adapt to planetary limits and the opportunities arising from an evolving global system highly aligned to disruptive social dynamics. To ensure the development of businesses in this unstable landscape, leaders must adopt new behaviours aligned with the characteristics of a finite, complex, uncertain, changing, collaborative and connected world, balancing competing priorities and stakeholders' interests while fostering innovation and adaptation. According to the research made by Mintrom & Rogers (2022), leadership has long been acknowledged as a key driver of both local innovation and broader system transformation. Nonetheless, many people currently in these positions have limited knowledge of the actions they must replicate in broader transitions. This will require a shift in the dominant competences that lead to the decision-making process in business and to new consistent forms of behaviour that allow an adaptation to the contemporary world (Throop & Mayberry, 2017).

According to Ramírez-Herrero et al. (2024), Generation X values social justice, the empowerment of marginalised communities, the promotion of sustainability and the preservation of the planet's future. Given these characteristics, it becomes crucial to investigate

whether the attributes of future leaders will suffice to tackle the multifaceted challenges of the modern world and contribute to achieving and sustaining the 2030 Agenda for the SDGs.

As mentioned above, the imperative for sustainability has become a central concern, prompting organisations to experience fundamental transitions. As businesses navigate the complexities of a changing and increasingly interconnected world, the role of leadership in facilitating sustainable transitions has gathered increasing attention. In this sense, the objective of this master's thesis is to investigate the role of leadership in driving sustainable transitions, identify the key competences that future leaders must possess for sustainability transitions and examine how these roles may differ across various generations of leaders, all through the lens of consultancy.

Considering this, the research problem is to analyse how the role of corporate leadership affects the progression of sustainable transitions within organisations, delineating the essential competences that leaders must acquire to steer these transitions successfully and assessing how the enactment of these roles varies among leaders from different generational backgrounds, incorporating insights from a consultancy perspective. Consequently, three primary research questions have been formulated: (1) How does leadership influence sustainable transitions within organisations? (2) What essential competences must leaders possess to implement sustainable transitions successfully? (3) In what ways do the characteristics of leadership for sustainable transitions differ across generational cohorts?

To answer these questions, the study pursued the following main objectives: (1) understand the role of leaders in driving sustainable transitions within organisations; (2) define the essential competences that leaders must possess to navigate and facilitate sustainable transitions; and (3) investigate potential generational disparities in approaches towards sustainability.

By theoretically contributing to a new conception of the role of future leaders in sustainable transitions, this master thesis also aims to tackle the urgent environmental, economic and social issues facing today's society. The study draws on insights from interviews with consultants from a Big Four experienced in sustainable transitions to contribute to both managerial and societal discourse. The findings are expected to enhance understanding of the leadership role critical for the sustainability of organisational change, considering the challenges posed by the complexities of the modern world. To accomplish the objectives mentioned, the structure of this dissertation master thesis is divided into five parts: Introduction; Literature Review; Methodology; Findings and Discussion; and Conclusion.

CHAPTER 2

Literature Review

2.1. Pathways to sustainable transitions

Sustainability requires a fundamentally different worldview and an extended sense of universal responsibility than we currently have (Arora-Jonsson, 2023). The imperative for sustainable development has become increasingly apparent in an age characterised by environmental instability, resource scarcity, and social complexity. According to Loorbach et al. (2017), the term sustainable transition emerges to refer to large-scale societal shifts deemed necessary to solve substantial societal challenges. Furthermore, building a resilient society is linked to the vital transition toward more sustainable leadership, which should be considered a practical requirement (Waqar et al., 2024).

The SDGs, established by the United Nations (UN), represent a collective effort to address pressing global challenges and build a sustainable future for contemporary society (Dafevwakpo et al., 2023). According to the same authors, the 17 SDGs encompass a wide range of objectives, including eradicating poverty, promoting gender equality, ensuring access to clean water, and combating climate change. Notwithstanding, despite the United Nations' ambitious objectives, there are some concerns about achieving these goals by the target of 2030 (Dafevwakpo et al., 2023). The Sustainable Development Report 2024, prepared by Sachs et al. (2024), presents a comprehensive assessment of the progress made by 193 United Nations Member States towards achieving the SDGs. According to this report, Finland, Sweden, and Denmark emerge as the top three countries with the highest overall performance in SDGs implementation, scoring 86.4, 85.7, and 85.0 out of 100, respectively. In 2024, Portugal secured the 16th rank among 167 countries evaluated in the report, attaining a country score of 80.2. Despite this commendable ranking, it is noteworthy that Portugal has only fully achieved one SDG – No Poverty - and challenges persist across other goals, highlighting the ongoing efforts required to address the remaining obstacles and advance sustainable development initiatives in Portugal and every United Nations country.

The imperative of achieving the SDGs arises from the pressing need to tackle interconnected environmental, social, and economic challenges confronting contemporary society (Dafevwakpo et al., 2023). The urgency to achieve the SDGs is emphasized by the growing importance of environmentally and socially responsible practices within the corporate

sector, highlighting the increasing necessity of sustainable transitions (Delmas et al., 2019). Since sustainable development has become a major concern, corporate leadership plays a crucial role in driving sustainable transitions forward (Dafevwakpo et al., 2023).

The process of sustainability transition evolves over time, advancing through distinct phases delineated by scholars in economics and sociology (Delmas et al., 2019). These phases – initiation, early adoption, diffusion, and standardisation – entail unique challenges and opportunities (Delmas et al., 2019). In the initiation phase, actors identify a problem and begin to define new practices that offers alternative approaches. The early adoption phase is characterised by limited knowledge about the proposed practices and a limited number of adopters. Subsequently, practices begin to proliferate within the sector during the diffusion phase, though not without on-going competition and contention. Ultimately, consensus emerges in the standardisation phase, establishing an industry standard or regulated practice (Delmas et al., 2019).

Additionally, corporate participation introduces a layer of complexity in sustainable transitions, with firms employing various strategies to resist or influence adopting sustainable practices, such as lobbying against environmentally friendly legislation and creating doubts about the necessity of sustainability transitions (Delmas et al., 2019). In this context, leadership becomes critical, with corporate leaders having the ability to shape organisational responses and drive commitments to sustainability.

Scott (1995) Institutional Theory provides a framework for understanding how broader societal structures influence these dynamics, defending that "institutions comprise regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life" (Scott, 1995, p.56). Thus, institutions delineate boundaries by establishing legal, moral, and cultural norms, thereby defining acceptable and unacceptable behaviour, serving both as constraints and enablers, providing guidelines, resources, and stimulus for action while imposing prohibitions and limitations (Scott, 1995). This framework (Table 2.1) encompasses three pillars: (1) Regulative, in which institutions focus on the regulation of behaviour through formal rules and procedures, involving the creation of regulations, monitoring adherence, and applying sanctions to influence future actions; (2) Normative, in which institutions also operate through normative systems that implement prescriptive standards and values into social life, defining acceptable methods for achieving these goals; and (3) Cultural-cognitive, in which shared beliefs and cognitive frameworks shape institutional practices, including local cultural definitions, organisational

cultures, and broader ideological systems, and consequently influences and reflects collective assumptions and organisational logics.

Table 2.1. Three pillars of institutions (Scott, 1995)

	Regulative	Normative	Cultural-Cognitive
Basis of compliance	Expedience	Social Obligation	Taken-for-grantedness/ Shared understanding
Basis of order	Regulative Rules	Binding Expectations	Constitutive schema
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules/Laws/Sanctions	Certification/ Accreditation	Common beliefs/ Shared logics of action/ Isomorphism
Affect	Fear Guilt/Innocence	Shame/Honor	Certainty/Confusion
Basis of legitimacy	Legally sanctioned	Morally governed	Comprehensible/ Recognisable/Culturally supported

According to Scott (1995), rules, laws, and sanctions constitute essential components of the regulatory pillar. Notwithstanding, these measures are often moderated by rules that legitimise the use of such power. When coercive measures are enforced and regulated by a framework of rules, they shift into the domain of authority (Scott, 1995). As an example, the Directive (EU) 2024/1760 of the European Parliament and of the Council of June 13th of 2024 (European Parliament and of the Council, 2024) establishes a comprehensive legislative framework intended to reinforce corporate sustainability due diligence across the European Union (EU), aligning closely with the regulative pillar of institutional theory (Scott, 1995).

The Directive requires EU and non-EU companies operating within the EU market to identify, prevent negative and mitigate adverse impacts on human rights and the environment across their operations and extended supply chains (European Parliament and of the Council, 2024). The Directive requires companies to assess risks such as human rights violations and environmental degradation. It also enforces supply chain responsibility and holds firms accountable for their direct actions and risks emerging from their entire value chains (European

Parliament and of the Council, 2024). According to the European Parliament and of the Council (2024), non-compliance with the rules is addressed through sanctions to ensure firms are aligned with the EU's goals for corporate accountability and transparency and underscores the EU's commitment to sustainable business practices.

According to Scott (1995), the normative pillar is shaped by social obligation and binding expectations and is morally governed. The Paris Agreement, adopted by 196 parties at the United Nations Climate Change Conference (UNCCC) in Paris on December 12th, 2015, is a representation of this pillar in action, as it establishes sustainability as a global priority and creates a framework of norms that nations and businesses are increasingly compelled to follow (United Nations Framework Convention on Climate Change, 2015). By committing to limit global warming to below 2°C, the Agreement fosters a collective sense of responsibility and moral duty among nations and the private sector, expecting that companies, with this shared commitment, reinforce the adoption of sustainable practices and align their operation with the goals of climate action (United Nations Framework Convention on Climate Change, 2015).

The cultural-cognitive pillar relates to the common beliefs and shared logic of action based on a constitutive schema (Scott, 1995). Additionally, the "affection dimension of this pillar is expressed in feelings from the positive effect of certitude and confidence on the one hand versus the negative feelings of confusion and disorientation on the other" (Scott, 1995, p.70). According to Scott (1995), individuals who align with prevailing beliefs typically feel competent and connected, while those who diverge can be perceived as clueless. This dynamic is particularly significant when analysing the role of leadership in sustainable transitions because, as Delmas et al. (2019) noted, there are critical questions regarding whether leadership inspires vision, fosters commitment to new actions or engages stakeholders in collective behaviours.

Given this context, understanding the role of leadership is crucial for advancing corporate sustainability agendas, as leaders can align their organisations with normative expectations and cultural values, thereby engaging feelings of competence and connection among employees and stakeholders.

2.2. Leadership role in sustainable transitions: Perspectives

According to Dey et al. (2022), leadership is pivotal in aligning organisational needs with sustainability practices. This entails orchestrating actions, providing directives, and cultivating attitudes towards fostering greater sustainability within the organisational framework,

considering the firm's stakeholders' diverse interests while integrating social, environmental, and societal imperatives. Many authors have studied the role of corporate leaders in sustainable transitions, and it is conceivable to recognise different perspectives on how leaders should contribute and drive sustainable efforts.

One of these perspectives emphasises the concept of Corporate Social Responsibility (CSR). According to Stobierski (2021), CSR is the notion that it is used when a business is responsible to the society around it. To add to this concept, Carroll (1991) introduced the CSR Pyramid, which outlines a firm's economic, legal, ethical, and philanthropic responsibilities. Loorbach & Wijsman (2013) described CSR as a management approach for dealing with the demands of stakeholders and propose that environmental, stakeholder, and issues management are the three main instruments for CSR. In fact, according to Carroll (1991), leadership plays a crucial role in upholding these responsibilities, ensuring that the organisation remains economically viable, legally compliant, and operates with integrity. Although approaches may vary based on management philosophy and corporate strategy, leaders are tasked with integrating CSR principles across fairness, integrity, and honesty and contributing to societal well-being while maintaining profitability and legal compliance (Carroll, 1991).

By contrast, Porter & Kramer (2011) introduced the Creating Shared Value (CSV) approach, arguing that CSR should be replaced as the guiding principle for companies' investments in their communities. They contend that while CSR initiatives primarily focus on reputation and have limited ties to the business, making them difficult to justify and sustain over time, CSV is intrinsic to a company's profitability. By leveraging a company's unique resources and expertise, it aims to create economic value through social value. According to Porter & Kramer (2011), the CSR approach has led to a limited understanding of social and environmental issues among managers, emphasising the importance of visionary leadership in identifying opportunities for innovation and investment that benefit both the company and society. Therefore, Porter & Kramer (2011) advocate a profit-driven perspective in leadership that views sustainability as a strategic imperative rather than mere philanthropy, highlighting opportunities for business growth through societal impact, innovation, collaboration, and long-term thinking.

Sharma & Henriques (2005) also contribute to the discourse on leadership perspectives by studying the Canadian forest products industry, advocating for Green Leadership. This perspective underscores a leader's capacity to enact pro-environmental policies and influence organisational support for environmental initiatives (Jatana, 2023). In addition to the CSV perspective, Green Leadership supplements this approach by accentuating the environmental dimension of sustainability. While Green Leadership can be viewed as an extension of CSR, it places greater emphasis on the role of leaders in driving environmental sustainability initiatives within organisations (Sharma & Henriques, 2005).

Nowadays, executives with a Green Leadership orientation are pivotal in facilitating sustainable transitions since they establish rigorous environmental policies, guide enterprises in researching, developing, and producing environmentally friendly products, provide environmental protection services and strive to strike a balance between economic growth and environmental preservation (Wang et al., 2023).

Although not directly studied by Barney (1991), the concept of Green Leadership aligns with his Sustainable Competitive Advantage perspective. In fact, leaders utilise a firm's internal resources and capabilities to drive sustainable transitions, integrating environmental considerations into decision-making by identifying and leveraging crucial resources for sustainability, strategically allocating resources, and fostering innovation to sustain competitive advantage while addressing environmental and social concerns (Barney, 1991).

Referencing the insights of Loorbach & Wijsman (2013), several companies are striving to advance beyond conventional CSR and environmental disclosures to shape and transform the supply chains and markets they participate, as well as their own corporate structure. Loorbach & Wijsman (2013) also highlighted the increasing complexity and uncertainty businesses face when navigating sustainable transitions. Despite these challenges, they note that businesses which have successfully embraced sustainability exhibited that a fundamental element of success is the ability to reinterpret the social context and its challenges, and this involves rethinking a company's primary business activity through a collaborative process that engages both employees and external parties. Loorbach & Wijsman (2013) suggest that what is essential is an approach that enables multi-actor processes while simultaneously promoting a profound revaluation of the existing norms, structures and procedures.

The Transition Management Cycle (Figure 2.1.), which was composed by Loorbach (2007) and mentioned by Loorbach & Wijsman (2013), provides a framework to translate the approach into a methodology.

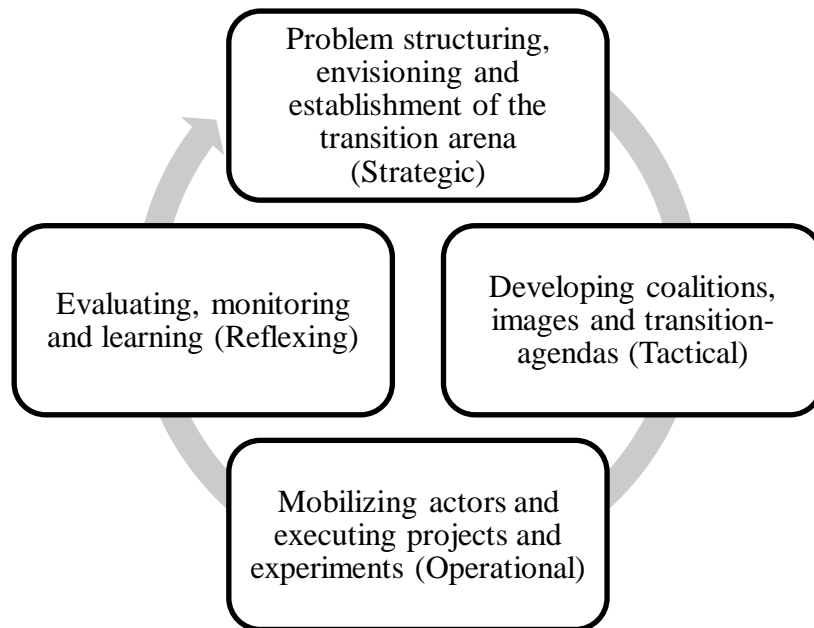


Figure 2.1. The Transition Management Cycle (Loorbach, 2007)

Loorbach (2007), cited by Loorbach & Wijsman (2013), introduces a concept that distinguishes four categories of leadership activities: strategic, tactical, operational, and reflexive. According to the authors, and as illustrated in Figure 2.1., strategic activities involve tackling complex social issues and envisioning different potential outcomes, often through shaping public opinion, crafting long-term visions, and engaging in the political arena. Furthermore, according to the same authors, tactical activities focus on organizational structures such as institutions, regulations, and various infrastructures, typically done through negotiation, partnership-building, and advocacy. In addition, operational activities, as discussed by the authors, are the day-to-day activities and practical steps actors take to uphold the status quo or implement changes. Lastly, reflexive activities include evaluating and adjusting strategies based on ongoing observations and insights. Loorbach & Wijsman (2013) also highlighted that the collaboration of leaders from various sectors is a key element of the transition management cycle, which incorporates pinpointing the challenge and establishing a transition arena (strategic activity), formulating a plan for sustainable progress and projecting the transition path (tactical activity), establish and carry out transition experiments alongside cultivating networks of support (operational activity), and observing, critiquing, and extracting insights from these experiments to enhance the guiding vision, strategy, and alliances (reflexive activity).

Loorbach (2007) has contributed significantly to the understanding of leadership roles in sustainable transitions by introducing a cycle that captures the progression, application, and integration of various concepts, such as CSR, CSV, Sustainable Competitive Advantage, and Green Leadership. Additionally, Loorbach et al. (2017) argue that while the role of leadership in sustainable transitions has unique aspects, there are common characteristics.

According to Loorbach et al. (2017), one of the characteristics is that transitions affect a variety of actors from distinct sectors, so recognising the power dynamics and influence of different actors in sustainable transitions is fundamental. Additionally, according to the authors, achieving societal consensus on challenges is key to directing investments and actions, supporting the development of shared insights and recognising the challenges, and translating them to new directions and interventions. Other characteristics mentioned by the authors are the importance of visioning, experimenting, and learning to unravel complexity, gather evidence of the role required for a transition, reorient interventions, and identify new opportunities (Loorbach et al., 2017).

2.3. The challenges of sustainable transitions

The analysis of Kivimaa et al. (2021) showcased that to address the wicked problems of today's needs, the magnitude of the challenge requires radical and disruptive changes in the current set-up of sociotechnical systems, and this is where businesses wield unprecedented impact in shaping our planet's forthcoming needs and its inhabitants' well-being. According to Throop & Mayberry (2017), although each business faces challenges specific to its history trajectory and industry context, overarching themes emerge across sectors, reflecting the social, economic, and environmental contexts in which business operates. Carbon risk, increase of polluted areas (Dubois & Jesus, 2023), sea level rise, extreme weather events such as super storms and flooding, scarcity of clean water resources, and the threat of catastrophic wildfires represent prominent environmental challenges confronting the contemporary global landscape (Throop & Mayberry, 2017).

Beyond environmental concerns, contemporary global challenges also encompass social dimensions, including heightened consumption levels, escalating demand for air travel, the proliferation of junk food consumption, and the prevalence of fast fashion clothing (Markard et al., 2020). Furthermore, socio-political complexities manifest in political polarisation, heightened racial tensions, leadership influenced by polling data and perceptions of over-regulation (Throop & Mayberry, 2017). The social and environmental challenges contribute to

the heightened probability of economic turbulence, characterised by escalating energy demands and industrial activities, population growth (Oloruntobi et al., 2023), and ageing infrastructures (Mintrom & Rogers, 2022). Moreover, factors such as conflict stemming from war-related tensions (Tang et al., 2023), income disparities, global interdependence, demographic shifts towards an ageing population, challenges in attaining robust employment rates and fluctuations in global supply chain further exacerbate the economic landscape (Throop & Mayberry, 2017).

In addition to environmental, social, and economic challenges, leadership challenges wield significant influence over the trajectory of sustainable transitions. Scholars have extensively examined these challenges and proposed strategies to overcome them. According to Van Poeck et al. (2020), learning promotes the legitimacy of governance interventions, thereby mitigating resistance towards transitions, illuminating the desirability of policy outcomes, and broadening the spectrum of actors responsible for sustainability governance beyond governmental entities to include various stakeholders. Mintrom & Rogers (2022) defend that while learning is crucial in addressing these challenges, leaders may encounter limitations in comprehending the requisite actions for replicating and scaling local innovation into comprehensive transitions. Considering the contemporary challenges, these authors delineate six key actions for driving sustainable transitions and overcoming them (Mintrom & Rogers, 2022): (1) Clarify the problem and articulate a shared vision, (2) Engage others to identify workable solutions and implementation pathways, (3) Secure support from influential stakeholders, (4) Establish effective monitoring tools and learning systems, (5) Foster long-term relationships of trust and mutual support, and (6) Develop narratives that support on-going action.

Throop & Mayberry (2017) contribute with an additional perspective, contending that for businesses to develop, leaders need to behave in new ways consistent with the contemporary global challenges, and for that to happen, it is imperative a shift in the prevailing competences that characterise corporate cultures today. The upcoming section explores the key competences research has perceived leaders need to overcome the outlined challenges.

2.4. Key competences and virtues in leaders within sustainable transitions

Some researchers delineated key competences in sustainability as multifunctional abilities that facilitate successful performance and promote sustainability progression across a range of contexts (Bianchi, 2020). The comprehensive framework proposed by Wiek et al. (2011), analysed by Bianchi (2020), highlights five pivotal competences: system-thinking competence, anticipatory competence, normative competence, strategic competence, and interpersonal

competence. These competences encompass analysing complex systems across different domains and scales, crafting future scenarios related to sustainability issues, aligning with sustainability values, designing and implementing interventions, and fostering collaborative problem-solving.

Based on Bianchi (2020), and building upon this framework, Brundijs et al. (2021) added futures-thinking, values-thinking and implementation competence. According to Bianchi (2020), futures-thinking involves iterative refinement of future scenarios, while values-thinking is considered the lead competence for these authors and is defined as the ability to differentiate between intrinsic and extrinsic values in the social and natural world, critically evaluating their alignment with sustainability principles. Implementation competence entails realising planned solutions toward a sustainability-informed vision, monitoring progress, and addressing emerging challenges in a long-term iterative process.

Additionally, the framework of Redman & Wiek (2021) underscores the importance of complementary professional skills such as compassionate communication and responsible project management within sustainability leadership (Bianchi, 2020). However, the Bianchi (2020) literature review identifies limitations in existing frameworks, including a lack of diversity in expert perspectives, since they are mainly from North America and Europe, constituting a problem for lack of representation and inclusion and suggesting potential gaps in comprehensiveness and inclusivity.

Contrasting to the competence's framework, Throop & Mayberry (2017) examined the virtues that are crucial for businesses to navigate the economic, social, and environmental challenges in today's world and defended that it becomes vital to combine the virtues with new knowledge, better technology, and governance, thus enabling them to increase business effectiveness.

The difference between competences and virtues is while virtue is bound up in ideas of morality, offering perspectives that shape actions, and being described as character traits, competences are defined as notions of learned skills and technical efficiency, highlighting action rather than character (Macaulay & Lawton, 2006). Throop & Mayberry (2017) use the term virtues broadly to describe dispositions to think, feel and act in skilful ways that promote the aims of practice, having a broader range of applicability compared to competences.

According to Throop & Mayberry (2017), it becomes necessary to recognise the new sustainability virtues as a broader spectrum of traits, indispensable for businesses to adapt and thrive amidst the evolving socio-economic and environmental landscape, contrasting with the virtues conventionally associated with the current business. The study of Throop & Mayberry (2017) revealed five dominant virtues that have helped society to get where they are today: abundance virtues, control virtues, conviction virtues, competitive virtues, and individualist virtues. However, to guarantee a sustainable transition and for businesses to develop, the authors defended that it is crucial to have a shift in dominant virtues to reduce risk and grasp opportunities: frugality virtues, adaptive virtues, humility virtues, collaborative virtues, and systems virtues (Throop & Mayberry, 2017).

Throop & Mayberry (2017) advocated five virtue clusters that need an emphasis shift, not considering that they are opposites. Both virtues of the pair are necessary for an organisation to function. Nonetheless, authors' research shows that sustainability transition virtues need to become the default approach to problem-solving to overcome the challenges. The first pair of virtues considered by Throop & Mayberry (2017) are abundance virtues versus. frugality virtues, where abundance virtues embody a mindset predicated on the inexhaustibility of resources, buoyed by a belief in perpetual growth facilitated by technological innovation. According to Ribeiro et al. (2018), the society has involved in the experimental set-up of technology, which guarantees to be a game changer in sustainable transitions, and by acknowledging the finite nature of resources (Throop & Mayberry, 2017), frugality virtues advocate for prudent resource utilisation and waste reduction.

Regarding the cluster control virtues versus. adaptive virtues (Throop & Mayberry, 2017), control virtues accentuate the perceived capacity to exert dominion over the environment. However, considering that businesses employ various responses to the complex challenges of the volatile, uncertain, complex and ambiguous (VUCA) environment, which intensified dynamic instability, low predictability and multiple possible interpretations of events, presses the need for adaptive virtues (Murthy & Murthy, 2014).

Throop & Mayberry (2017) also combined conviction virtues versus. humility virtues, where conviction virtues are considered the assertiveness and decisiveness that need to be complemented by the humility virtues, which encourage a mindset that supports critical self-reflection, openness to new ideas and collaboration and it has a positive effect on leader proactive behaviour (Chen et al., 2018).

Additionally, concerning the competitive virtues versus. collaboration virtues, Throop & Mayberry (2017) defended that adversarial competition must be balanced and complemented with collaborative virtues to facilitate cooperative efforts necessary for addressing complex challenges. Notwithstanding, it seems that having a common cause is succeeding over persistent wars, considering that to have a global influence it is underlying to have a mutual effort (Rajak, 2011), and collaboration virtues foster trust and synergy, developing organisational effectiveness amidst dynamic environments (Throop & Mayberry, 2017). Regarding the individualistic virtues vs systems virtues, the individualistic prioritises autonomy and responsibility and must be complemented by systems virtues. Systems virtues emphasise holistic perspectives, systemic understanding, and interdisciplinary collaboration, equipping organisations with the capacity to comprehend and address intricate systemic challenges (Throop & Mayberry, 2017).

According to Throop & Mayberry (2017), this research calls for a revision of organisational virtues, aiming for a more balanced and adaptable framework, essential for businesses to address the multifaceted challenges of today's world and capitalise on opportunities in the transition towards sustainability. This shift resonates with changing values across generations in sustainability leadership. Younger leaders prioritise collaboration, inclusivity, and environmental responsibility, and embracing this change helps businesses align with emerging leaders, promoting innovation and resilience across generations (Acciona People, 2023). The following section explores how future leaders adopt a new style of leadership that emphasises collaboration, understanding and support rather than displays of control, which aligns with the shift towards more inclusive and sustainable organisational practices.

2.5. Leadership differences between generations

Leadership is considered one of the most fundamental subjects of management science, and it has held significance across various domains, including politics, the military, organisations, and society throughout history (Yavuz Aksakal & Ulucan, 2024). However, the definition and characteristics remain subjective, shaped by the context and goals (Yavuz Aksakal & Ulucan, 2024). Understanding generational differences in leadership is imperative for management strategies and sustainable transitions in the discourse surrounding workforce dynamics.

According to Ramírez-Herrero et al. (2024), the Baby Boomer Generation was born between 1946 and 1954, an era marked by opportunities and progress, in line with the optimistic nature of this generation. They are strongly inclined towards work-centric lifestyles, demonstrating loyalty to their employers and an inherent desire for leadership roles. This generation perceives teamwork as indispensable but displays limited sensibility towards the technological advancements reshaping modern workplaces. The Boomer generation actively seeks job security and believes in growing the business by taking responsibility, being highly competitive and expecting a dynamic based on authority (Ramírez-Herrero et al., 2024).

Generation X, born between 1965 and 1980, has similar values to the Baby Boomer generation and is characterised as independent, committed to their team, and highly focused on productivity (Seaman et al., 2018). According to Seaman et al. (2018), since they prioritise autonomy in their career development, they often prefer traditional hierarchical structures in favour of more flexible and dynamic work arrangements. They are known for their entrepreneurial mindset and creative expression, viewing each job as a stepping stone to new challenges and opportunities. Ramírez-Herrero et al. (2024) illuminate the formative socio-economic landscape within which Generation X emerges as a cohort marked by self-sufficiency, adaptability, and a penchant for autonomy in their professional pursuits, being imperative for fostering a conducive environment that nurtures their talents and ensures their long-term engagement and contribution.

Generation Y, also termed Millennials, were born between 1981 and 1994, and were raised amidst the rapid evolution of digital technology, maintaining a deep affinity for technological advancements and being a key group in the process of incorporating new technologies around metaverse and artificial intelligence (Ramírez-Herrero et al., 2024). The Millennials tend to be interested in how information comes together and are enthusiastic about learning (Seaman et al., 2018). The preferred leadership style is team-oriented since their views and opinions all matter and favour teamwork, following a set of directions if there is flexibility for them to get work done in their own way (Seaman et al., 2018). Additionally, Millennials exhibit an inherent dissatisfaction with the perceived lack of achievement and creativity in traditional workplace settings, which drives their propensity for job mobility. In this sense, to engage and retain Millennial employees, and organisations must ensure greater supervisory support tailored to their needs by, for example, reducing reliance on face-to-face group participation (Ramírez-Herrero et al., 2024).

Generation Z, born between 1995 and 2010, values characteristics such as competence, determination, self-control, honesty and forward-looking in leaders, while traits like loyalty,

inspiration, ambition, imagination, and caring are less esteemed (Seaman et al., 2018). Generation Z is intrinsically motivated and heavily reliant on technology for communication, knowledge acquisition, and being globally connected (Seaman et al., 2018). According to Ramírez-Herrero et al. (2024), Generation Z's brain structures differ from those of previous generations. Influenced by their environment and technology usage patterns, they prioritise social justice and sustainability, actively seeking to support businesses and movements aligned with these values. Furthermore, Generation Z has an innate interest in influencing global social and sustainability issues from an idealistic perspective (Ramírez-Herrero et al., 2024).

Generation Alpha, born between 2011 and 2025, embodies a tech-savvy cohort raised by Millennial parents, and they are poised to enter the workforce around 2030, prioritising sustainability and networked co-creation. Their aspirations include surpassing past generations in innovation and creativity, with a strong emphasis on economic stability and mental health, but, as with Generation Z, the lack of social interaction can lead to a decline in their soft skills (Ramírez-Herrero et al., 2024).

After describing the characteristics of contemporary generations, Yavuz Aksakal & Ulucan (2024) highlighted the expectations for Generation Z regarding leadership attributes since this generation is perceived as an essential component in guiding organisations toward future trajectories, with farsightedness emerging as a prominent characteristic (Yavuz Aksakal & Ulucan, 2024). Also, studies underscore Generation Z's emphasis on leadership qualities such as honesty, vision, communication prowess, receptiveness to diverse ideas, and autonomy (Yavuz Aksakal & Ulucan, 2024). Moreover, Generation Z aligns with technology, social and environmental awareness, and adaptability (Yavuz Aksakal & Ulucan, 2024). The contemporary leadership perspective transcends traditional managerial roles, particularly as perceived by Generation Z. Instead, it emphasises qualities that drive innovation and foster inclusivity, talent development and transitions. These attributes play a pivotal role in guiding organisations through the evolving landscape of modern business challenges, ultimately contributing to their success.

CHAPTER 3

Methodology

3.1. Data collection

De Sousa Martins (2004) notes that methodology is an instrumental discipline that supports research in which every technical question requires a theoretical discussion, serving as a vital link between practical research activities and theoretical frameworks. Furthermore, methodology refers to the critical understanding of the scientific process, focusing on examining and questioning its limits and possibilities (De Sousa Martins, 2004).

Considering the study's objectives, the qualitative analysis provides a framework for uncovering valuable insights into how leaders influence sustainable transitions, identify the necessary competences for leadership, and explore the perspectives different generations bring to sustainability approaches. According to Évora (2006), qualitative research is particularly effective for examining complex social phenomena that are difficult to quantify, since it utilises languages and practices as core elements, emphasising everyday discourse and the meaning inherent in social interactions. In contrast to a quantitative approach, which is typically more structured, broad in scope, and focused on numerical data, a qualitative approach was deemed more suitable for this research. It allowed for a deeper exploration of the role of leadership in sustainable transitions, enabling a more comprehensive understanding of the complexities involved. Interviews were chosen as a primary data collection method because they enable the systematic and direct questioning of individuals in their own contexts, facilitating a deeper understanding of their representations and attitudes (Évora, 2006).

According to Mweshi & Sakyi (2020), sampling is the process by which a researcher selects a group of individuals from a larger population of interest for a detailed analysis, and this selection can be done through probabilistic or non-probabilistic methods. Within this research's scope, a sample was considered per the qualitative data collection method, employing a non-probabilistic convenience sampling strategy. Non-probability sampling techniques are frequently suitable for exploratory and qualitative research and are often used when random sampling is impractical, such as when subjects are difficult to access or are not readily available (Mweshi & Sakyi, 2020). Considering this, participants were chosen due to their easy accessibility and their pertinence to the researcher's professional environment.

The chosen sample included professionals from different sectors within the same Big Four consultancy firm, providing a broad spectrum of viewpoints and backgrounds. In line with the observations made by Kakabadse et al. (2006), consultants recognise the considerable control and discretion afforded to them by their clients and place importance on their own interpretation of the circumstances. The approach was designed to ensure a compilation of insights from consultants engaged in sustainability, intending to faithfully represent the unfiltered and unbiased impact of leadership in driving sustainable change.

The selection criteria were established to resonate with the investigative aims and were composed of individuals who satisfied the following prerequisites: participants needed to be over 18 years old; each participant was currently engaged in a contractual relationship with a consulting firm; the participants occupied positions of leadership within their respective organisations; participants were expected to have at least five years of experience in leadership capacities; and regular engagement with top management was a necessity for all participants.

As illustrated in Table 3.1, eight interviews were conducted for the data collection, with an equal gender distribution of 50% female and 50% male participants. The interviewees were employed by the same consulting firm but represented different areas of expertise, including sustainability, human resources, business, tax, and technology. This cross-sectional representation from various departments within the firm allowed for a comprehensive understanding of the leadership dynamics in relation to sustainability practices across different functional areas. The interviews ranged in duration from 21 minutes to 58 minutes and happened from July 31st to September 12th, 2024.

Table 3.1. Data collection distribution

Interview	Date	Timing	Gender	Related Area	Position
1	July 31 st	55min	Feminine	Indirect Tax	Senior Manager
2	August 2 nd	58min	Feminine	Sustainability	Partner
3	August 20 th	25min	Male	Business	Partner
4	August 21 st	25min	Feminine	Sustainability	Manager
5	August 29 th	21min	Male	Strategy	Partner
6	September 3 rd	39min	Male	Sustainability	Partner
7	September 11 th	37min	Feminine	Human Capital	Partner
8	September 12 th	26min	Male	Sustainability	Senior Manager

3.2. Procedure

The methodology employed for this phase involved conducting eight interviews to acquire qualitative data. The initial contact with potential participants was established through email, and once their participation was confirmed, an invitation was sent out via Microsoft Teams, the platform used to facilitate the session. In addition to the invitation to the meeting, participants were provided with an Interview Guide. The Interview Guide ensured that key information areas were consistently addressed with each interviewee, offering more precision than informal conversation while still permitting the flexibility to tailor interactions and gather nuanced information (Max, 2024). The Interview Guide was also methodically designed to feature five critical questions, each targeting a distinct thematic area related to the research variables being explored, as presented in Annex A.

The interviews were semi-structured to encourage participants to elaborate on their thoughts and ideas comprehensively (Karatsareas, 2022), allowing individuals to share their opinions on the topic from their unique viewpoints and discuss their personal experiences. This approach facilitated a more natural and in-depth conversation, providing rich qualitative data that could be analysed in the context of the study's objectives.

The participants were asked if they agreed to have the interview recorded for academic purposes and if they wanted their contributions to be kept confidential. This was followed by a concise introduction to the discussion's objective: gathering insights from consultants regarding the impact of leadership in sustainable transitions, pinpointing the crucial competences required for a transition, and exploring if and how a leader's generational identity shapes their strategy towards sustainable change. Participants could ask questions or request more information about the interview procedure or the study. The interview started after all the preliminary topics were covered.

The interview started by exploring the interviewees' professional backgrounds and experience with sustainability, intending to understand the journey that led them to consultancy and their involvement with sustainability practices. Subsequently, the primary research question of this study was explored "(1) How does leadership influence the sustainable transitions within organisations?" to investigate the influence of leadership on sustainable transitions through the formulation of the following questions: "Based on your experience as a consultant, how do you perceive the role of leadership during sustainable transitions? Could you provide some examples without revealing identities?". The central purpose of this question was to analyse how leadership plays an essential role in aligning organisational needs with sustainability practices (Dey et al., 2022). The Literature Review highlighted various scholarly perspectives on the role of leadership, such as CSR Pyramid (Carroll, 1991), CSV (Porter & Kramer, 2011), Green Leadership (Sharma & Henriques, 2005), Sustainable Competitive Advantage (Barney, 1991) and the complementary Transition Management Cycle, proposed by Loorbach (2007). Therefore, the question was formulated to either corroborate the views presented in the Literature Review or to supplement them with contemporary insights, reflecting the organisational context of 2024.

After completing the first question, the interview proceeded to the second significant query: "From your experience, what are the critical competences that leaders must have to drive sustainable transitions?" which reflects the study's second research question: "(2) What essential competences must leaders possess to successfully implement sustainable transitions?". The Literature Review has already highlighted essential competences such as systems-thinking, anticipatory, normative, strategic, and interpersonal skills, alongside abilities for future-thinking, values-thinking, implementation, compassionate communication, and responsible project management (Bianchi, 2020). Furthermore, virtues like frugality, adaptability, humility, collaboration, and a systems perspective are considered important for leaders in sustainable transitions (Throop & Mayberry, 2017). The intent behind this interview question was to either validate or supplement the competences and virtues outlined in the Literature Review as critical for leaders in sustainable transitions, considering the consultancy perspective within the current business context.

The third question under scrutiny was, "From your experience, what are the most common challenges leaders face when implementing sustainable transitions?". The objective was to understand that, notwithstanding their competences, various challenges inherent to our contemporary world impact the role of leaders in sustainable transitions. In addition to social, environmental, and economic challenges, some leadership-specific challenges were identified, such as difficulties in comprehending the necessary actions to replicate and scale local innovation into comprehensive transitions (Mintrom & Rogers, 2022). Consequently, through the lens of consultancy, this question intended to reveal any other challenges leaders might encounter in sustainable transitions that could impede the effectiveness of these roles.

The fourth question was "In your consultancy experience, what are the differences, if any, in leadership approaches to sustainable transitions among different generational cohorts?" which corresponds to the study's third and concluding research question "(3) In what ways do the characteristics of leadership for sustainable transitions differ across generational cohorts?" to explore potential generational variances in attitudes towards sustainability. The Literature Review highlighted distinctive generational attributes, such as the Baby Boomers' reluctance to adapt to organisational changes for new scenarios (Ramírez-Herrero et al., 2024), Generation X's preference for established hierarchical structures (Seaman et al., 2018), Millennials desire for dissatisfaction with the lack of innovation in conventional work practices (Ramírez-Herrero et al., 2024) and Generation Z keenness to influence global social and sustainability challenges from an idealistic viewpoint (Ramírez-Herrero et al., 2024). Accordingly, the question was designed to explore how these generational attributes affect their leadership strategies in sustainability.

The final question was, "What advice would you give to emerging leaders to prepare them for the challenges of sustainable transitions in the future?" with the purpose of crystallise the expectations for leadership in sustainable transitions and pinpointing any emerging trends or shifts in leadership deemed increasingly critical for future sustainable transitions, thus validating or supplementing constructs described in the Literature Review. After the interview, participants were invited to provide any final remarks. Their valuable contributions and meaningful participation in the research were acknowledged.

After interviews were finalised, the results analysis was performed with the use of the tldv platform, a tool that enables the recording or downloading of multiple meetings, as well as their subsequent transcription and contribution to analyse the discussion topics.

CHAPTER 4

Findings and Discussion

The next chapter presents an analysis of the qualitative data derived from the eight interviews, integrating them with findings from the Literature Review. To ensure a comprehensive and structured analysis, the chapter is organised into five critical discussion themes that are directly relevant to the research: (1) The role of leadership in sustainable transitions; (2) Crucial leadership competences for sustainable transitions; (3) Challenges for leaders in sustainable transitions; (4) Generational differences in leadership approaches to sustainable transitions; and (5) Advice for future leaders. For each topic, a comparative analysis was conducted between the consultants' answers and the perspectives from the Literature Review to derive evidence-based conclusions for each point of discussion. Annex B provides a detailed view of the valuable answers to each interview question, along with the key messages interpreted.

4.1. The role of leadership in sustainable transitions

The responses to the first interview question, "Based on your experience as a consultant, how do you perceive the role of leadership during sustainable transitions? Without disclosing names, can you please provide some examples?" directly inform the primary research question "(1) How does leadership influence the sustainable transitions within organisations?". The participants unanimously acknowledged the pivotal role of leadership in sustainable transitions within organizations. This is clear in findings such as "an organization only changes when leadership decides that this is one of the pillars that should be supporting (...) the transition or the design of the future (...) there is no transformation without leadership believing in it" (Interviewee 3), or "if leadership is not convinced of what it is doing, nothing will happen." (Interviewee 6), being considered a key element to "set an example for people, to make them want to do more" (Interviewee 7) and "being a figure (...) that (...) inspires us." (Interviewee 2). Additionally, it is also highlighted the broader impact of leadership when they are "changing something within a company" (Interviewee 4), having a crucial role in changing the society. Recognising the unanimous consultant's agreement on the importance of leadership in sustainable transitions, it is necessary to explore how leadership shapes the sustainable transition processes.

Although all participants acknowledge the importance of leadership in sustainability, their perspectives on the specific role of leaders differ. Interviewee 1 describes leadership in sustainable transitions as multifaceted, emphasizing that sustainability is more than environmental conservation; it's about ensuring humanity's future and well-being to "have a planet where we can live." Similarly, Interviewee 4 notes that leaders who initiate organizational change not only transform their businesses but also "have an impact on society, and they have an impact on the economy". Furthermore, Interviewee 1 points out that leaders are adapting to stringent legislation due to the growing recognition of sustainable practices and the pressure to comply with progressive regulations. Interviewee 5 observes that "there are companies that want to tick the box, due to the obligation that regulation requires this tick the box is done", with leaders following rules to comply with the external standards. Notwithstanding, Interviewee 5 also distinguishes a different group of leaders who see sustainable growth as an integral part of their strategy, aiming to "make their business grow, regardless of the obligation of limiting to follow the criteria that are required by regulation." According to Interviewee 5, the differentiating factor between these two types of leaders lies in how deeply sustainability is integrated into a company's strategy and operations, considering that "the rule will have to be fulfilled by everyone, and that will never be a differentiating factor" (Interviewee 5). Additionally, Interviewee 6 also highlights the need for leaders to look beyond compliance and consider critical business KPIs, questioning what they do with "KPIs that are critical for their business, more than compliance for your business."

Interviewees 2, 3, and 7 focus on the inspirational and directional aspects of leadership. Leaders should set an example to "make them want to do more," as per Interviewee 7, and have a strategic vision to navigate from "point A to point B," as Interviewee 2 suggests. Interviewee 3 complements this perspective, understanding that the role of leaders in sustainable transitions is the driving force behind any significant organizational change, stating that "organizations are essentially a continuity of what is the strategy defined by the top". Interviewee 4 also believes in the inspirational role of leaders, describing them as "that person who is not so operational, but who starts to bring the problems and wants to go further" for that, Interviewee 6 believes in the need for unlocking the topic of sustainability by "creating a new way to look at the strategies of the organizations and understand how the strategies that already exist". Lastly, Interviewee 8 believes in the importance of the leadership role that has a more progressive vision "and not just that classic vision of increasing profit in the short term, reducing costs, and increasing revenues" (Interviewee 8).

The analysis revealed various viewpoints of each consultant on the importance of leadership in sustainable transitions, comparable to those outlined in the Literature Review (Table 4.1.).

"Sustainability has nothing to do with saving the planet, it would be almost saving the planet as a means, saving us (...) to have a planet where we can live" (Interviewee 1) and "a good leader cannot necessarily be just a highly rational person who works based on numbers" (Interviewee 8), related with the human-centric aspect of sustainability, highlighted the ethical responsibility of leaders to prioritise the well-being of humanity reflected on the CSR Pyramid proposed by Carroll (1991), which suggests that leaders should ensure that the organisation operates with integrity and contributes to societal well-being. The philanthropic layer of the CSR Pyramid defended by Carroll (1991) is also stated in "a leader has to give (...) awareness to their collaborators and their colleagues (...) because (...) all our choices have a consequence" and "the leader has to have this role (...) to set an example for people" (Interviewee 7), with leaders being catalysts for change because they raise awareness, motivate people to engage in actions and set an example.

The importance of the leaders having a strategic vision and commitment to achieve this vision is underlined in "the vision, it's where I want to go, it's point B" (Interviewee 2), focusing on collaboration to drive economic and social transitions, considering that "there is the need for us to build a relationship that is based on trust and communication" (Interviewee 2) and "When leaders are changing something within a company, the truth is that they are also changing society" (Interviewee 4), is partially associated CSV approach by Porter & Kramer (2011), because reflects its principle that business growth and societal progress are linked. The three drivers that have influenced the importance of sustainable efforts, "sustainable management", "public point of view" and "public awareness", defended by Interviewee 8, are also closely aligned with the CSV approach by Porter & Kramer (2011), as society becomes more conscious of sustainability issues, leaders are expected to respond to this shift in values by aligning their organisations accordingly (Interviewee 8). Considering that "these three big axes (...) are marked by strong leadership (...) and they only happen because there were leaders within these groups (...) and which then leads to the creation of legislation that forces companies and governments to do things" (Interviewee 8), leaders are defined as a common thread to the creation of legislation and the adoption of sustainable practices within organisations.

Interviewee 5 identified a dichotomy in how leaders approach sustainability: leaders that engage sustainability as a compliance issue and leaders that view sustainable growth as an integral part of their strategy to drive business development, innovate and differentiate themselves in the market. Interviewee 5 additionally considers that "leaders look at sustainable growth in a completely different way" and "the consumers, the investors, will already be much more aligned with companies that have a sustainable purpose than with another one that only complies with the rule" and the differentiating factor lies on how deeply sustainability is integrated into a company's strategy and internal operations, which aligns with the Sustainable Competitive Advantage perspective of Barney (1991) that focuses on the internal attributes of an organisation as the basis for achieving and maintaining a competitive advantage. This perspective is also partially observable by Interviewee 5, due to the focus on sustainability as a competitive advantage and not just a matter of compliance.

Furthermore, it is noted that leaders need to look beyond compliance and consider the critical KPIs related to their business, considering that it is not enough to merely report sustainability metrics, "you report it, the question is what do they do with this information? What are they doing to reduce this footprint? (...) it's not just reporting" (Interviewee 6), which is pointed out in Green Leadership perspective discussed by Sharma & Henriques (2005). This emphasises the need for leaders to go beyond the measurement of sustainability metrics to actively engage in sustainability practices that lead to tangible environmental improvements (Sharma & Henriques, 2005). Interviewee 6 also discusses the importance of balance between economic growth and sustainability practices, describing a situation where a leader prioritised earning money above all goals, but "if something goes wrong with one of them (goals), you will have a financial impact on your goal 1, 2, 3 (...) I'm trying to say is that many times they don't realise the impact" (Interviewee 6).

While the consultants' viewpoints only partially reflect the theoretical constructs of CSR, CSV, Sustainable Competitive Advantage, or Green Leadership from the Literature Review, their understanding of leadership's role in sustainable current transitions appears to be more in line with the Transition Management Cycle theory, defended by Loorbach (2007), when merging between each other.

"The vision, it's where I want to go, it's point B" (Interviewee 2) aligns with the strategic activities defended by Loorbach (2007) and the essential elements required to achieve it, such as "commitment, the engagement of the people to get from point A to point B, (...) build a relationship (...) based on trust and on communication" (Interviewee 2). Furthermore, Interviewee 2 also underlines the emphasis on the leader's role in comprehending the sustainability challenges specific to their organization and formulating a vision for addressing these challenges, noticeable in "it is a leader to understand what is the challenge of sustainability that his business faces, (...) understand the state of art, what is the challenge that my organization has regarding sustainability" (Interviewee 2). Interviewee 3 also underlines the importance of strategy in sustainable transitions when reflecting that "if that is not part of the leadership mentality" (Interviewee 3), a company hardly change "since organizations are essentially a continuity of what is the strategy defined by the top (...) the role of leadership is crucial as is obvious, for everything else to happen, it is necessary to make the organization believe and for everyone to live this culture that the top tries to instil with a vision and a strategy" (Interviewee 3). To enhance the viewpoints expressed by Interviewees 2 and 3, and in accordance with the strategic activities required for sustainable transitions, the significance of leaders adopting a "more progressive vision, and not just that classic vision of increasing profit in the short term, reducing costs, and increasing revenues, (...) it is proven that this, in the long term, has risks of deteriorating the value of the business" (Interviewee 8) is also underscored, stressing the inevitability for leaders to embrace a long-term, sustainable strategy that transcends immediate financial gains, recognizing that a narrow focus on short-term profitability can ultimately undermine the enduring value of the organization.

Interviewee 1 included adaptation through "advanced legislation, that some countries or some organizations have already begun to adopt", which underlines the Loorbach (2007) perspective, mentioned by Loorbach & Wijsman (2013), as tactical activities are typically performed through negotiation and partnership-building, arguing for the need of an adaptation. Regardless of the importance of the responsibility "of limiting to follow the criteria that are required by regulation and that we have to comply with, and that we have to follow" (Interviewee 5), Interviewees 5 and 6 also added to the perspective of the role of leaders the importance of combining the strategic activities with the tactical activities, reflecting that "leaders look at sustainable growth in a completely different way, and, therefore, how can they use this sustainability strategy to make their business grow" (Interviewee 5) and considering "what challenges these strategies or pressures are putting on the environment, on society, on communities, or what risks are not being calculated" (Interviewee 6).

On the other hand, Interviewee 1 refers that "in addition to the practical measures they can implement, such as trying to reduce the supply chains, the deliveries, the distributions, always opting for favouring, or implementing measures" (Interviewee 1), which aligns with the theory that operational activities are the day-to-day actions are taken to uphold the status quo or implement changes (Loorbach, 2007). Moreover, the inspirational role of leaders could also be considered as the lever for the operational activities take place, raising awareness among employees and stakeholders about the consequences of their choices, considering that "a leader has to give this awareness to their collaborators and their colleagues, not only to their collaborators but also to their peers, to their clients, to their partners, because we make choices and all our choices have a consequence" (Interviewee 7), for employees to contemplate that the "leader is someone you follow" (Interviewee 2).

Interviewees 3 work experience leads to the perspective that "an organization only changes when leadership decides that this is one of the pillars that should be supporting the transformation or the transition or the design of the future (...) there is no transformation without leadership believing in it", underlined in the reflective activities (Loorbach, 2007), which include evaluating and adjusting strategies based on ongoing observations and insights.

To conclude, in response to the primary research question "How does leadership influence sustainable transitions within organisations?", it is evident from the consultancy perspective that leadership is a critical factor in the success of these transitions. Considering the broader perspectives provided by the Literature Review and the valuable insights gathered from the interviews research that provide an overview of the practice of these perspectives, it is possible to conclude that when related to the Transition Management Cycle (Loorbach, 2007), the role of leaders in sustainable transitions is essential for various reasons:

(1) to establish a vision and commitment (strategic activities) (Loorbach, 2007), i.e., the leader's role is to articulate a clear and compelling vision for sustainability that encompasses long-term well-being and prosperity for humanity (Interviewees 2, 3 and 8).

(2) to inspire and motivate others (operational activities) (Loorbach, 2007), i.e., through their actions and communication, leaders inspire and motivate stakeholders within and outside the organisation, serving as role models, demonstrating the importance of sustainability and encouraging others to contribute to the transition (Interviewees 2 and 7).

(3) to navigate legislation and build partnerships (operational activities) (Loorbach, 2007), i.e., leaders adeptly navigate through advanced legislation and regulatory environments, often going beyond compliance to establish partnerships and collaborations that further the sustainability agenda (Interviewee 1, 5 and 6).

(4) to operationalize sustainability (operational activities) (Loorbach, 2007), i.e., leaders implement practical measures to integrate sustainability into the organization's day-to-day activities, guaranteeing that the organization remains responsive and resilient in the face of change (Interviewee 1).

(5) to reflect and adapt (reflexive activities) (Loorbach, 2007), i.e., leaders continuously reflect on the organization's sustainability journey, learning from experiences and adapting strategies to address emerging challenges and opportunities (Interviewee 3).

Overall, leadership is a driving force that shapes the sustainable transition processes within organizations, determining the strategy, culture, and operational practices that lead to sustainable development.

4.2. Crucial competences in leaders for sustainable transitions

The answers to the second interview question, "From your experience, what are the critical competences that leaders must have to drive sustainable transitions?" precisely inform the second research question "(2) What essential competences must leaders possess to successfully implement sustainable transitions?", considering the multifunctional competences that facilitate performance and promote sustainability progression across various contexts (Bianchi, 2020).

Considering the comprehensive frameworks proposed by Wiek et al. (2011), with the additions of Brundiers et al. (2021) and Redman & Wiek (2021), as analysed by (Bianchi, 2020), the competences mentioned in the qualitative research are similar to the ones identified in the Literature Review (Table 4.1.).

Table 4.1. Crucial competences in sustainable transitions

Competences	Mentions in the interviews
Competences proposed by Wiek et al. (2011) and cited by Bianchi (2020)	
System-Thinking Competence	✓ "I think it has to be a person with a critical systemic thinking within the organisation" (Interviewee 2)
Anticipatory Competence	✓ "Being able to look and anticipate the future" (Interviewee 3)
Strategic Competence	✓ "The strategic vision" (Interviewee 2) ✓ "They should have the ability to decodify the market (...) they should have the ability to create their own point of view about the future and

	how they can generate and capture the greatest value of the future, based on the transformations we have ahead" (Interviewee 5)
Interpersonal Competence	✓ "A skill of teaming is also fundamental" (Interviewee 7)
Competences added by Brundiens et al. (2021) and cited by Bianchi (2020)	
Future-Thinking Competence	<ul style="list-style-type: none"> ✓ "The strategic vision" (Interviewee 2) ✓ "Vision and being able to look and anticipate the future, which I think is fundamental" (Interviewee 3) ✓ "They should have the ability to create their own point of view about the future and how they can generate and capture the greatest value of the future, based on the transformations we have ahead, whether economic, regulatory, technological, social" (Interviewee 5) ✓ "Leaders must have a long-term vision. This is very important. (...) But I think we must have this long-term vision, because the things we do, when we incorporate these dimensions, we are bringing longevity and resilience to the business in the long-term perspective" (Interviewee 6) ✓ "Things will not change all at once, so there needs to be some context and adaptability, knowing well where they want to go and ideally when they want to go" (Interviewee 8)
Implementation Competence	<ul style="list-style-type: none"> ✓ "They must be able to monitor and follow up compliance to ensure that, always, things are happening as they anticipate. So, this is using the directive as an almost strategic tool to create value for the organization and for society." (Interviewee 6) ✓ "Leaders must be people who also hear the people around them, who must be able to question and shape their vision as they receive new information." (Interviewee 8)
Skills added by Redman & Wiek (2021) and cited by Bianchi (2020)	
Complementary Professional Skills	<ul style="list-style-type: none"> ✓ "Also, empathy. In the word of honour, it seems a very simple thing, but in business it is also necessary to be empathetic" (Interviewee 1) ✓ "Empathy, without a doubt, a leader who wants to make sustainable transitions and change their companies, it is also a lot to have that empathy" (Interviewee 4)

	✓ "If we start educating our people, but respecting the universe in which they are, we will be able to have much more efficient action plans" (Interviewee 7)
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Based on the interviews, a leader "has to be a person with a critical systemic thinking within the organization" (Interviewee 2), "be able to look and anticipate the future" (Interviewee 3) and have "a skill of teaming" (Interviewee 7), which underscores the necessity for leaders to comprehensively analyse complex systems across various domains and scales, designing and implementing interventions, and nurturing interpersonal relationships, aligning with the system-thinking, anticipatory and interpersonal competences, mentioned in the comprehensive framework proposed by Wiek et al. (2011), and cited by Bianchi (2020). Still, each of these competences was distinctly cited by a separate interviewee in the qualitative research.

Strategy competence also described in Wiek et al. (2011) framework was referenced by two interviewees, reflected in "the strategic vision that we talked about a little while ago" (Interviewee 2) and "they should have the ability to decodify the market (...) they should have the ability to create their own point of view about the future and how they can generate and capture the greatest value of the future, based on the transformations we have ahead" (Interviewee 5). While the normative competence recognized in Wiek et al. (2011) framework, it was not mentioned as a critical competence for leaders engaged in sustainable transitions.

The strategic-thinking (Interviewee 2) and the ability to look and anticipate the future (Interviewee 3) could be also related to future-thinking competence added by Brundiens et al. (2021), and cited by Bianchi (2020). In fact, leaders "should have the ability to create their own point of view about the future and how they can generate and capture the greatest value of the future" (Interviewee 5), creating "a long-term vision" (Interviewee 6) and "knowing well where they want to go and ideally when they want to go" (Interviewee 8). The additional competence added by Brundiens et al. (2021) was the implementation competence, which is underscored by the need to monitor and ensure compliance, confirming that actions align with expectations, as noted by Interviewee 6). Furthermore, this competence encompasses the ability to actively listen to and consider the perspectives of others, allowing for the adaptation of one's vision in response to new information, as described by Interviewee 8.

Empathy also emerges as a critical attribute in leadership within sustainable transitions, as highlighted by the insights of Interviewees 1, 4 and 7, understanding and sharing feelings for others is instrumental in crafting effective action plans, aligning with Redman & Wiek (2021) complementary professional skills.

Furthermore, the interviews conducted as part of the research provide a richer and more nuanced understanding of the competences deemed essential for leadership within sustainable transitions, offering a more comprehensive picture of what it takes to drive this transformation. Attributes such as intuition, the need for boldness and perseverance, the ability to self-forgive (Interviewee 1), and the consistency to build trust and motivation (Interviewee 2) are added to the list of the fundamental competences that a leader should have when driving sustainable transitions. Constant innovation was also recognized by both Interviewees 2 and 3, and risk-taking was mentioned by Interviewees 4 and 5, highlighting the importance of being willing to take calculated risks in pursuit of innovation and change. The need for curiosity was also echoed by Interviewee 6, who said that it is vital to challenge the status quo and explore new possibilities and Interviewee 7 also introduced "originality" as a key competence.

The group of attributes mentioned above, although not directly mentioned by the Literature Review, could reinforce several existing competences. Intuition (Interviewee 1), innovation (Interviewee 2 and 3) and originality (Interviewee 7) could complement the strategy competency as they are essential for analysing complex systems and developing adaptable actions. Similarly, the ability to build trust and motivate others (Interviewee 2) aligns with the interpersonal competencies, proposed by Wiek et al. (2011) and cited by Bianchi (2020), emphasizing the leader's role in inspiring others toward sustainable change. Lastly, the need for boldness (Interviewee 1), risk-taking (Interviewee 4 and 5) and curiosity (Interviewee 6) could enhance the future-thinking competence mentioned by Brundiers et al. (2021), and cited by Bianchi (2020).

On the other hand, as mentioned in the Literature Review, while competences encompass learned abilities and technical know-how that facilitate specific actions (Macaulay & Lawton, 2006), virtues are characteristics that shape moral behaviour and influence broader practices (Throop & Mayberry, 2017). Throop & Mayberry (2017) further define virtues as instinctive tendencies that enable individuals to think, feel, and act in ways that advance the goals of a given practice, indicating a more extensive scope of influence compared to competences. Table 4.2. illustrates the connection between the virtues from Throop & Mayberry (2017) framework and those identified by the interviewees, showcasing how theoretical virtues compare with practical leadership traits observed in the interviews.

Table 4.2. Crucial virtues in sustainable transitions

Virtues	Mentions in the interviews
Frugality Virtues	<ul style="list-style-type: none"> ✓ "Ethics and responsibility. I think this is very relevant in this transition. To act ethically in all the value chain, we act in. It is not enough for us to say that we are sustainable and that we are promoting sustainable behaviour or actions, or good sustainable practices" (Interviewee 2)
Adaptability Virtues	<ul style="list-style-type: none"> ✓ "Adaptability, I think that's increasingly an expression that we all, not just a leader, we should all be adaptable" (Interviewee 1) ✓ "Things will not change all at once, so there needs to be some context and adaptability, knowing well where they want to go and ideally when they want to go" (Interviewee 8)
Humility Virtues	<ul style="list-style-type: none"> ✓ "We should all be adaptable, read, listen and interpret from there" (Interviewee 1) ✓ "The other is having the ability to listen" (Interviewee 2) ✓ "Enough humility to realize that many times they do not know how to deal with a topic. They should be curious, humble and curious, wanting to know, wanting to learn" (Interviewee 6) ✓ "Listen more than speak, because with that, we can effectively do the connecting the dots and make the best, most innovative and most sustainable solutions arrive" (Interviewee 7) ✓ "The leaders must be people who also hear the people around them, who must be able to question and shape their vision as they receive new information" (Interviewee 8)
Collaboration Virtues	<ul style="list-style-type: none"> ✓ "A skill of teaming is also fundamental" (Interviewee 7)
Systems Thinking Virtues	<ul style="list-style-type: none"> ✓ "I think it has to be a person with a critical systemic thinking within the organization" (Interviewee 2)

The qualitative research and the literature collectively highlight a spectrum of virtues that are interrelated and reinforce each other. In this sense, "to act ethically in all the value chain, we act in" (Interviewee 2), advocate for careful and efficient use of resources, emphasizing the need for conservation and waste minimization in the recognition of the limited availability of the resources, which relates to the frugality virtues proposed by Throop & Mayberry (2017). Additionally, it is underscored the necessity of adaptability virtues (Throop & Mayberry, 2017), not just for leaders but for everyone (Interviewee 1), being crucial for navigating the uncertain context of sustainable transitions (Interviewee 8). The ability to listen and interpret (Interviewee 1, 2 and 8) and "realize that many times they do not know how to deal with a topic" (Interviewee 6), being able to shape their vision "as they receive new information" (Interviewee 8), it is also mentioned as crucial for leadership within the sustainable transitions and clearly associated with the humility virtues proposed by Throop & Mayberry (2017). Furthermore, cooperative efforts and collective action are also essential to tackling the multifaceted challenges of sustainability (Throop & Mayberry, 2017), which is reflected in the research when Interviewee 7 mentioned "a skill of teaming is also fundamental". Finally, the leader "has to be a person with a critical systemic thinking within the organization" (Interviewee 2), having a comprehensive understanding of the complex interdependencies within the systems, enabling leaders to make decisions that consider the broader consequences and sustainability implications (Throop & Mayberry, 2017).

In response to the second research question, "What are the essential competences that leaders must possess to ensure the successful implementation of sustainable transitions?", the competences most frequently mentioned by interviewees include future-thinking competence, with five references, and implementation competences, with two references. Future-thinking competence emphasizes the need for a strategic vision and the ability to anticipate and adapt to future changes (Bianchi, 2020). On the other hand, implementation competence highlights the importance of leaders following through and adapting their vision based on new information (Bianchi, 2020). Additionally, virtues such as adaptability, with two references, and humility, with four references, were frequently cited, with adaptability being mentioned in the context of flexibility and resilience and humility regarding self-awareness and openness to learning (Throop & Mayberry, 2017). These competences and virtues collectively shape the capacity of leaders to guide their organizations towards sustainable practices and long-term resilience.

4.3. Common challenges for leaders in sustainable transitions

In addressing the question "From your experience, what are the most common challenges that leaders face when implementing sustainable transitions?", the insights from the interviews reveal several common challenges (Table 4.3).

Table 4.3. Common challenges in sustainable transitions

Challenges	Mentions in the interviews
Multifaceted Nature of Sustainability	<ul style="list-style-type: none"> ✓ "Sustainability is everything, and it is nothing, but more than anything, (...) it is not a law, it is not a science per se, in fact, it is a series of knowledge that we have or should have, to be able to understand, then, what we call sustainability. " (Interviewee 1) ✓ "The big challenge I think there is exactly this accelerated transformation of the world that makes it difficult to analyse the different dimensions of what is happening. (...) A second point is that when we talk about sustainability, I think here there are still concepts that (...) can assume different visions for different people and different perspectives and can be assumed in different ways. And I think the great difficulty is how we can at the same time tick the box to all the themes and still be able to have the flexibility to be able to act in relevant dimensions and not get lost in what is not so important in the theme of sustainability. " (Interviewee 5) ✓ "People must understand the challenges of sustainability, the challenges of how they incorporate in the organization and then get to their function and understand their role (...) is a transformational dimension that is complex to do, because this often involves working with many suppliers or partners or associations" (Interviewee 6)
Balancing Profit and Sustainability	<ul style="list-style-type: none"> ✓ "If we go to the commercial side, the goal is profit, without profit, without means, there is no possibility of reaching the goals that these same foundations and vocational initiatives propose." (Interviewee 1) ✓ "There is a call to action from the EU saying, from now on you will have to start presenting what is the Sustainability Performance Narrative of your organization. And this information has as much validity as the financial information (...) you will financially have to

	<p>understand how, from the outside to the inside, your company will be impacted. And the question is, but I don't have anyone to do this challenge in here. I've never worked on these issues." (Interviewee 2)</p> <p>✓ "Because when you look at sustainability, it is not something that we feel will have an impact today, or tomorrow (...) and that is why it is much more difficult for a leader, who must respond to shareholders to justify we are going to invest today a mountain of money that will only bring us profitability in the medium or long term." (Interviewee 3)</p>
Lack of experience	<p>✓ "I don't have anyone to do this challenge in here. I've never worked on these issues. So, when is this for? (...) Your company, from January 1st, 2025, will have to start reporting" (Interviewee 2)</p> <p>✓ "At the same time the lack of some experience that everything seems easy." (Interviewee 3)</p> <p>✓ "People want it, but then when we all get together, I think there's a lot of resistance and (...) also linked a little bit to fear, not knowing what comes from there." (Interviewee 4)</p>
Organizational inertia and Resistance to Change	<p>✓ "Sometimes it's a little bit of the inertia of the organisations resisting change that makes things more complicated, which doesn't mean that individually people don't want to change things and don't want their company to have a broader impact, (...) it's still an organization that needs approvals, that needs discussion. Sometimes there's a will to do it, but the organization, because of its control ends up bringing a little inertia that, along with the resistance of the people, ends up making it difficult." (Interviewee 4)</p> <p>✓ "Especially in Portugal, they are still very conservative on some issues (...) they don't change habits, because they always did that way, and this is the most difficult. (...) Leaders have to keep in mind that it's a process of change that has to be done at the individual level, at the behavioural level, and I don't know if we're there yet" (Interviewee 7)</p> <p>✓ "We can go through issues like resistance to change, the difficulty that people must adapt, if I do it this way, why do I have to do it differently? And if I go backwards? That kind of thinking." (Interviewee 8)</p>

One of the common challenges underlined is the complexity of addressing social, economic, and environmental contexts simultaneously, considering that sustainability has a "transformational dimensional dimension that is complex to do" (Interviewee 6), since "is not a law, it is not a science per se, in fact, it is a series of knowledge that we have or should have" (Interviewee 1). Therefore, the main challenge is the difficulty in analysing the distinct dimensions of what is happening and understanding how to verify all the themes while still being able to be flexible (Interviewee 5), which is associated with multifaceted nature of sustainability challenge .

Another common challenge in sustainable transitions highlighted in the qualitative research is the difficulty of balancing profit with sustainability practices, considering that "if we go to the commercial side, the goal is profit, without profit, without means, there is no possibility of reaching the goals that these same foundations and vocational initiatives propose." (Interviewee 1), which means that occasionally businesses cross sustainable imperatives (Throop & Mayberry, 2017). Notwithstanding, there is a call to action from the EU to present the Sustainable Performance Narrative, and this information will validate as much as the financial information (Interviewee 2). This is also considered a challenge since sustainability is not some practice that will have an impact on the short-term, "and that is why it is much more difficult for a leader, who must respond to shareholders to justify we are going to invest today a mountain of money that will only bring us profitability in the medium or long term" (Interviewee 3).

Furthermore, Interviewee 2 mentions that clients argue that they never worked on the requisites actions for sustainable transitions and this lack of experience often leads to the illusion that "everything seems easy" (Interviewee 3) and to the fear of "not knowing what comes from there" (Interviewee 4). In fact, the lack of experience proposed by Mintrom & Rogers (2022) is also considered as a common challenge in sustainable transitions, reflecting that leaders may encounter limitations in comprehending the requisite actions.

According to the qualitative research, there is an inertia of the organisations resisting changes and this often happens due to approvals and constant discussions, along with the resistance established by the people (Interviewee 4) and the difficulty to adapt (Interviewee 8), which is related with Van Poeck et al. (2020) perspective when they defend that resistance towards transitions is another common challenge. This is observed especially in Portugal, considering the conservative mindset regarding this type of issue, being more resistant to changes "because they always did that way" (Interviewee 7).

In addition to the common challenges mentioned, there are other challenges mentioned by the consultants that were not reflected in the Literature Review. One of the challenges mentioned is to recognize the value of ESG (Environment, Society and Governance), because "they still cannot assess the real added value that embracing or integrating the ESG criteria can bring in terms of competitiveness or even in terms of financial sustainability of the business" (Interviewee 2). This understanding is crucial to recognize the most critical topics and ensure "they incorporate these concerns in the way they manage them" (Interviewee 6).

The other common challenge is "to bring the organization to a common goal" (Interviewee 6), considering there is still the illusion of the "eternal growth of everything" (Interviewee 8). Notwithstanding, "this vision of eternal growth is not compatible with planetary limits, which are physical limits" (Interviewee 8).

Answering the question, "From your experience, what are the most common challenges that leaders face when implementing sustainable transitions?", the results of the interviews, comparing to the Literature Review, confirmed that leaders when implementing sustainable transitions face a range of challenges (Table 4.3), such as the multifaceted nature of sustainability, reconciling profit with sustainable practices, a lack of experience in sustainability, and resistance to change within organizations. The consultants interviewed also highlighted the difficulty in recognizing the value of ESG and unifying the organization towards a common sustainability goal, as well as the societal pressures for continuous growth. Notwithstanding, to address these challenges and as was mentioned in the Literature Review Chapter, Mintrom & Rogers (2022) suggested six actions to overcome the contemporary challenges, such as clarifying the problem and creating a shared vision, engaging stakeholders to find practical solutions and paths for implementation, obtaining support from influential stakeholders, setting up robust monitoring and learning mechanisms, developing long-term trust and support, and crafting compelling narratives to encourage ongoing commitment to sustainability initiatives.

4.4. Generational differences in leadership approaches

To address the question, "In what ways do the characteristics of leadership for sustainable transitions differ across generational cohorts?" the insights collected from the interviews differ, indicating that generational cohorts may or may not have a substantial influence on leaders' approaches to sustainability. In this sense, it is possible to distinguish three different perspectives, summarized in Table 4.4.

Table 4.4. Impact of generation on leadership approaches

Different Perspectives	Mentions in the Interviews
P1 - The generation shape the leadership approach to sustainability transitions	
Older generations were raised in a world where economic growth was tied to increasing consumption and less concern for the exhaustibility of resources.	<ul style="list-style-type: none"> ✓ "Most of the people in my generation lived in a world where the themes of consumption were the way of growth, (...) and the concern that they were not inexhaustible was not at the beginning of our formation as being part of our DNA." (Interviewee 3)
Older generations are becoming more open to sustainability issues.	<ul style="list-style-type: none"> ✓ "The older generations (...) are starting to be more open to these issues, but probably because what surrounds them" (Interviewee 1) ✓ "But I think it's a mixture of both. I think the more senior people are clearly realizing and have already realized that it's necessary to do this." (Interviewee 3) ✓ "I felt bad for not having that literacy of sustainability, and I think that also motivates us to look for more and do more." (Interviewee 7)
There is a gap between younger and older generations, but it does not mean that older generations are incapable of embracing them.	<ul style="list-style-type: none"> ✓ "And there is a generational gap in the subject, ok? And this inevitably can be seen, but it doesn't mean that generations older than us sometimes don't have the capacity to see it" (Interviewee 2)

<p>Younger generations are more proactive and naturally attuned to sustainability, because they have grown up with greater awareness of sustainable issues and have experienced more adverse phenomena.</p>	<ul style="list-style-type: none"> ✓ "Sometimes I think that the most recent generations, as they are already a little more imbued with all this logic, (...) of experiencing phenomena a little more adverse, in a way that perhaps the older people did not hear them say before, they already come with a mindset." (Interviewee 1) ✓ "It is sometimes easier for you to be able to communicate these issues with younger generations, (...) because these generations see the world a little bit with different lenses. Your generation is a generation that is understood as the most eco-sensitive generation, the one that is most sensitive to sustainability issues, (...) because they had an education at some point that allowed them to build this vision." (Interviewee 2) ✓ "Unlike the younger generations that were born clearly in a world that had a culture of attention, that resources are expendable and that we must make that transformation." (Interviewee 3) ✓ "The younger ones, in this case, have a totally different vision, they are super concerned (...) where did they learn all this? (...) I think that schools have done an excellent job at that point." (Interviewee 7)
<p>Younger generations will be the driving force for change in sustainability, which can lead to tangible actions.</p>	<ul style="list-style-type: none"> ✓ "I think you will be the driving force for change. (...) In the end, it's all about behaviour. (...) And I recognize skills in you that I don't recognize in my generation. The ability to say no, to show what you think, what you want. You know exactly what you want." (Interviewee 2) ✓ "As is obvious for those who are younger to influence and accelerate this change. If you ask me if I think they're doing it the right way, I don't think so." (Interviewee 3)
<p>P2 - The generation may not shape the leadership approach to sustainability transitions</p>	
<p>Leadership qualities and mindset are crucial regardless of their age</p>	<ul style="list-style-type: none"> ✓ "I think it has to do with this question of being a leader, whatever it is the generation (...) I think that leader can be older, be 70 years old, be 60, be 50, or be 20, and (...) what

	<p>matters is that they are open to being able to hear others." (Interviewee 4)</p> <p>✓ "I don't think the topic is so much about generation, but I think it's about mindset (...) I think it's more in the person's DNA than in the generational." (Interviewee 5)</p>
<p>Generational differences in sustainability priorities are influenced by life experiences and personal characteristics.</p>	<p>✓ "It is more related, perhaps with the way people grew up and with the way, what was important for them during critical periods of their lives. It depends on their personal experiences, honestly. (...) We can observe a tendency for older people to be more sceptical about changes, because they have been through many more changes in their life, and younger people to be more anxious about change and want to speed up the processes. I think this has more to do (...) with the characteristics of people." (Interviewee 8)</p>
<p>There is an expectation that younger leaders bring innovative ideas and a desire for change, but this is not always the case.</p>	<p>✓ "Sometimes it is the youngest ones saying that we should not do it. We have sometimes very young leaders, and supposedly you were waiting for super innovative ideas, and to want to change, and they are not like that. Sometimes it also has to do with security, older generations already have security in their position, the others don't, so I think it is not just the age, I think it also has to do with the positions, and the experiences." (Interviewee 4)</p> <p>✓ "There are leaders that say this is something that won't impact them, and therefore it's something that they will push with their belly, from now on. There are others that say no, we're going to solve it now, because it's being asked. (...) And there is that third group regardless of the regulation, how can they position themselves (...) and transform sustainability as a competitive advantage." (Interviewee 5)</p> <p>✓ "I've heard in board meetings very wise words from older people, (...) and very young people focused on the short-term return. The priority is to make money, the second is to</p>

	make money, and the third is to make money. I've heard things like that. But that's not the standard, in fact. If we look at the normal situation, it's not the standard." (Interviewees 8)
P3 - The generation may tend to shape the leadership approach to sustainability transitions	
Generational background tends to influence the approach to leadership, but this can be an oversimplification and not an absolute measure of generational attitudes.	✓ "I don't know if it changes by generation. But maybe... The youngest boards have a tendency, and this is not always true, because there are exceptions, but obviously, they have a more open mindset to think about this in a more strategic way. (...) I could say that there's a tendency, but as I said, this is not a statistic, it's just an opinion." (Interviewee 6)

It is possible to perceive that most consultants interviewed (Interviewees 1, 2, 3, 6 and 7) confirmed that the generation from each leader shapes their approach to sustainability transitions (P1 in Table 4.4.). This group of interviewees believed that older generations grew up in a world more focused on economic growth than on the limitations of natural resources because it "was not at the beginning of our formation as being part of our DNA" (Interviewee 3). Nevertheless, older generations are becoming more open to sustainability issues (Interviewee 1, 3 and 7), which does not mean there is no gap between younger and older generations (Interviewee 2). All interviewees who consider that the generation from each leader belongs shapes their approach to sustainability transitions also considered that younger generations are more proactive and naturally attuned to sustainability because they have grown up with greater awareness of sustainable issues and have experienced more adverse phenomena (Interviewee 1, 2, 3, 6 and 7). This notion is supported by the characteristics described by Ramírez-Herrero et al. (2024), Seaman et al. (2018) and Yavuz Aksakal & Ulucan (2024), which indicate that each generation brings unique perspectives to leadership in the context of sustainable transitions. According to Ramírez-Herrero et al. (2024), younger generations, such as Generation Z, prioritize sustainability and have an innate interest in influencing global social and sustainability issues from an idealistic perspective, which also corroborates the thesis that younger generations will be the driving for change in sustainability, which can lead to tangible actions (Interviewee 2 and 3).

Contrary to what is mentioned in the Literature Review, three consultants considered that the generation of each leader may not shape their approach to sustainability transitions (P2 in Table 4.4.). From this group perspective, leadership approaches are shaped by the leaders' qualities and their mindset (Interviewee 4 and 5) or their life experiences and personal characteristics (Interviewee 8), regardless of the generation they belong. Although this group admits that there is an expectation that younger leaders bring innovative ideas and a desire for change, this is "not standard" (Interviewee 8) because "sometimes very young leaders, and supposedly you were waiting for super innovative ideas, and to want to change, and they are not like that" (Interviewee 4).

There was also one consultant who believed that the generation to which each leader belongs tends to influence the approach to sustainability transitions (P3 in Table 4.4.). Interviewee 6 recognises a potential generational influence but cautioning that this is an opinion rather than a statistical fact, considering that "this is not a statistic, it's just an opinion" (Interviewee 6).

In response to the third research question "In what ways do the characteristics of leadership for sustainable transitions differ across generational cohorts?", the perspectives collected from the qualitative research varies. Nonetheless, most of the consultants believe that that generational cohorts may influence the leaders' approaches to sustainability, considering that older generations were raised in a world where the economic growth was intrinsically related to the increasing consumption, which accentuates the gap between younger and older generations. In this sense, younger generations are perceived as being more proactive and adapted to a sustainable mindset, being considered the driving force for the transition to happen. However, there are also the stigma that leadership qualities, mindset, life experiences and personal characteristics are crucial regardless of the leaders age.

4.5. Advice for future leaders

The consultants interviewed offered advice to emerging leaders on preparing for the challenges of sustainable transitions in the coming years, answering the last question, "What advice would you give to emerging leaders to prepare them for the challenges of sustainable transitions in the coming years?".

Each interviewee provided their unique perspective on the key qualities and strategies important for future leaders to drive sustainable transitions. Considering that "businesses are made of and by people", it is instructed to future leaders to be adaptable, continuously learn, embrace innovation, and maintain a commitment to improving their sustainability efforts, even with "baby steps" (Interviewee 1), being in "permanent dissatisfaction (...) in the sense of improving" (Interviewee 1). Leaders are also guided to be courageous and bold (Interviewees 2, 4 and 7) and to be able to use the resources and support available to them, including the knowledge from older generations, the capabilities of modern technology (Interviewee 2) or the diversion of insights of their teams (Interviewee 4).

Furthermore, future leaders are also advised to keep dreaming and to use their creativity to transform innovation, optimizing their efforts in expertise (Interviewee 3), and consequently to be forward-thinking and active agents of change and to "not to wait for the transformation but to be the actors of the transformation" (Interviewee 5), and to not "just stick to the regulatory" (Interviewee 5). Interviewee 6 also recommends to leaders "to have an open mind, to have humility", which complements the advice provided by Interviewee 7 to "continue to question instead of affirming". Lastly, Interviewee 8 also encourages leaders to be patient and persistent, being able to adapt to "changes in people over time".

CHAPTER 5

Conclusion

This study has provided several insights into the theory and practice related to the role of leaders in sustainable transitions, the essential competences for their success, and the impact that generational characteristics have on approaches to sustainability.

Firstly, to address the initial research question, "How does the role of leadership influence sustainable transitions within organizations?" it is evident from the consultancy perspective that leadership is a critical factor in the success of these transitions. Considering the Literature Review and the insights gathered from the qualitative research performed on eight consultants from a Big Four company from different areas, it was conceivable to settle that the role of leaders in sustainable transitions is important to establish a vision and commitment, to inspire and motivate others, to navigate legislation and building partnerships, to operationalize sustainability and to reflect and adapt.

In response to the second question, "What are the essential competences that leaders must possess to ensure the successful implementation of sustainable transitions?" the consultants' feedback aligned with the competences identified in the Literature Review. For successful implementation, leaders should exhibit competences in future-thinking and implementation, as well as virtues such as adaptability and humility.

The third question under consideration, "In what ways do the characteristics of leadership for sustainable transitions differ across generational cohorts?" elicited varied perspectives on whether generational characteristics truly impact the success of leadership in sustainable transitions. Notwithstanding, most consultants argued that younger generations, such as Generation Z, prioritize sustainability and have an innate interest in influencing global social and sustainability issues from an idealistic perspective. Thus, while not unanimous, the future of leadership in sustainable transitions may rest in the hands of younger generations if they dare to proceed with this transformation, continue to learn, embrace innovation, and cultivate a shared vision. Therefore, this study has contributed to addressing the lack of literature on the topic by strategically guiding leaders to enhance their overall performance while promoting environmental well-being.

Despite the various contributions of this study, it has some limitations that should be considered for future analysis. One aspect to consider is the size of the qualitative sample, which consists of eight participants and may be considered small. For future studies, it would be beneficial to conduct additional interviews to gather a broader range of perspectives about the role of leadership within sustainable transitions. Notwithstanding, the collected information has enabled the drawing of relevant conclusions for the study and has complemented the quantitative analysis. Regarding the sample selected, it could have been interesting to complement the consultancy perspective with the perspective of leaders who work on sustainable transitions to scrutinise potential discrepancies between the vision of a consultant and that of a leader in these transitions. Nevertheless, the consultancy perspective was important to obtain an unbiased view of the role of leadership. Finally, another limitation identified is related to the geography and context of the participants, as all of them are part of companies based in Portugal. While the study has created relevant conclusions for the national context and suggested possible courses of action with positive impacts on teams, it may be important in the future to replicate this analysis in other geographies to draw conclusions from different contexts.

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Annexes

Annex A – Interview Guide

Part A: Introduction

Thank you for participating in this interview.

The purpose of this discussion is to gather insights from your expertise as a consultant. Your perspective will greatly contribute to my master's thesis, which focuses on analysing how the role of corporate leadership affects the progression of sustainable transitions within organizations, delineating the essential competences that leaders must acquire to steer these transitions successfully and how the generation which each leader belongs affects the effectiveness of sustainable transitions.

This interview will be recorded for reference and analysis, but all the information shared will remain confidential and used solely for academic purposes. You are welcome to withhold any details you believe could compromise the proprietary work of your company.

To begin this interview, what is your professional background and your experience in sustainability?

Part B: Leadership role in Sustainable Transitions

1. Based on your experience as a consultant, how do you perceive the role of leadership during sustainable transitions? Without disclosing names, can you please provide some examples? (Dey et al., 2022; Delmas et al., 2019)

With this question, should be detailed:

- The role of leadership during sustainable transitions.
 - The process of sustainable transitions within organizations you have worked with.
 - Example where leadership significantly impacted (positively or negatively) the effectiveness of a sustainable transition.
 - Leadership actions or decisions that have been pivotal in overcoming challenges during sustainable transition.
2. From your experience, what are the critical competences that leaders must have to drive sustainable transitions? (Bianchi, 2020; Throop & Mayberry, 2017)

With this question, should be detailed:

- Critical Competences that leaders must have to drive successful sustainable transitions.
3. From your experience, what are the most common challenges leaders face when implementing sustainable transitions? (Mintrom & Rogers, 2022; Van Poeck et al., 2020)

With this question, should be detailed:

- Challenges leaders face when implementing sustainable transitions.
 - Example where the leadership successfully navigated a significant challenge during a sustainable transition.
4. In your consultancy experience, what are the differences, if any, in leadership approaches to sustainable transitions among different generational cohorts? (Yavuz Aksakal & Ulucan, 2024; Ramírez-Herrero et al., 2024; Seaman et al., 2018)

With this question, should be detailed:

- *If they exist*, description of the generational differences between leadership approaches.
 - Example of how a particular generational characteristic influenced the outcome of a sustainable transition.
5. What advice would you give to emerging leaders to prepare them for the challenges of sustainable transitions in the coming years? (Yavuz Aksakal & Ulucan, 2024; Delmas et al., 2019; Throop & Mayberry, 2017)

With this question, should be detailed:

- Believes of what the future holds for leadership in sustainable transitions.
- Emerging trends or shifts in leadership that you think will become more important for future sustainable transitions.

Part C: Conclusion

Thank you for sharing your valuable insights.

If you have any additional thoughts or experiences, you'd like to share, please feel free to do it.

Otherwise, that concludes our interview. Thank you.

Annex B – Interview valuable answers and respective key messages by topic

I	Answer	Key Messages of each Answer
Topic 1: The role of leadership in sustainable transitions		
1	<p>"A leader or an organization is made up of people, not sustainability (...), sustainability has nothing to do with saving the planet, it would be almost saving the planet as a means, saving us, race, humanity, us people, to have a planet where we can live."</p> <p>"In terms of leadership, naturally, I had some work, some contacts, also, with leaders (...) who sometimes feel the need to adapt to advanced legislation, that some countries or some organizations have already begun to adopt. The EU is literally at the forefront, there is absolutely no doubt, at least from my perspective."</p> <p>"I think that the role of leaders, in addition to the practical measures they can implement, such as trying to reduce the supply chains, the deliveries, the distributions, always opting for favouring, or implementing measures, I say to the consumer, we even reduce the value of the delivery. Therefore, I think that what a leader must have a very strong ability to interpret. He must have intuition, the ability to lead is assumed that a leader has, otherwise he would not be a leader, (...) a good leader cannot necessarily be just a highly rational person who works based on numbers."</p>	<ul style="list-style-type: none"> • The role of leaders in sustainable transitions is multifaceted and emphasizes the human-centric aspect of sustainability. • The interviewee suggests that sustainability is not solely about saving the planet, but rather about ensuring the survival and well-being of humanity. • The interviewee recognizes their experience with leaders who feel the need to adapt to advanced legislation. This adaptation is likely due to the recognition of the importance of sustainable practices and the pressure to comply with progressive regulations. • The interviewee emphasizes the importance of leaders having a strong ability to interpret and intuit the needs of the times, rather than relying solely on rational, numbers-based decision-making.
2	<p>"I think that when we talk about a leader, or in leadership, I think that it ends up being a figure here that, many times, inspires us. It's my leader, isn't it? And a leader is someone you follow, isn't it? And you, to follow someone and trust in what it is to follow, to</p>	<ul style="list-style-type: none"> • The role of leaders in sustainable transitions focuses on the inspirational and directional aspects of leadership. The interviewee believes that a leader is someone who others

	<p>follow, I feel that a leader must have, very clear to him, what is a strategic vision."</p> <p>"The vision, it's where I want to go, it's point B. Now, what are the ingredients that are fundamental for me to get to point B? Commitment. The engagement of the people to get from point A to point B, there is the need for us to build a relationship that is based on trust and on communication. Because without trust, if we don't trust each other, the leader is not a leader, he is a person, only."</p> <p>"And therefore, it is a leader to understand what is the challenge of sustainability that his business faces, define what it is, first understand the state of art, what is the challenge that my organization has regarding sustainability, and how do I see sustainability."</p>	<p>choose to follow and trust, and to earn that trust, a leader must have a strategic vision.</p> <ul style="list-style-type: none"> • The strategic vision is described as knowing where they want to go and to reach this destination, a leader must identify the essential ingredients, which include commitment and the engagement of people. The journey from point A to point B requires building a relationship based on trust and communication. Without trust, a leader cannot lead. • Interviewee 2 emphasizes the importance of understanding the specific sustainability challenges that the organization faces. Leaders must define the current sustainability challenge and determine how they perceive sustainability in the context of their business.
3	<p>"Experience tells me that an organization only changes when leadership decides that this is one of the pillars that should be supporting the transformation or the transition or the design of the future. And so, there is no transformation without leadership believing in it. When we talk about sustainable transitions, if that is not part of the leadership mentality, the company will hardly change, since organizations are essentially a continuity of what is the strategy defined by the top. The role of leadership is crucial as is obvious, for everything else to happen, it is necessary to make the organization believe and for everyone to live this culture that the top tries to instil with a vision and a strategy. But I would say that part of the top, without that sponsorship and that top orientation, does not happen."</p>	<ul style="list-style-type: none"> • The role of leaders in sustainable transitions is that leadership is the foundational force behind any significant change within an organization. The interviewee defends that an organization will only transform if the leadership decides that sustainability is the future direction of the company. This implies that without the commitment of leaders to sustainability, an organization is unlikely to change. • The interviewee emphasizes that organizations tend to follow the strategy defined by their leadership, suggesting that the direction of a company are a continuation of what the leadership prioritizes. Leadership is seen as crucial not only for initiating change

		<p>but also for making the organization believe in the culture of sustainability. The interviewee believes that the vision provided by the top leadership must be supported by their sponsorship and guidance.</p>
4	<p>"When leaders are changing something within a company, the truth is that they are also changing society, and they have an impact on an economy. It has a broader impact, because they are not just focused on the company. I think that the role of a leader is essential. (...) It is like that, slowly, that we are reaching the company, until they reach society. We all have a role, whether we are leaders or not. Deep down, we can all do it in our daily interactions, leaders usually have a more prominent role, because they are here to lead several people, are able to motivate them, are able to lead them to the right path, and that is why I think it is something essential. I have seen several ways of doing it, but I think that they always have an essential role, I think that what is important is that we all have a bit of that role of leader, it is not just the CEOs, the bosses, the partners, the managers, we all have that role. I think that is important, and it is part of a leader to pass that message, so I think it can be a very inspiring role, and without a doubt, one of the most important."</p> <p>"I've been able to see it in several clients, in fact, when they have a voice that can make decisions, of being able to believe, sometimes they even must be that person who is not so operational, but who starts to bring the problems and wants to go further. But it's interesting, it's that inspiring thing, to have that leader, that CEO or someone in the C-suite, who wants to</p>	<ul style="list-style-type: none"> • The role of leaders in sustainable transitions centres on the influential and transformative power of leadership. The interviewee believes that when leaders initiate change within their organizations, they are also impacting the society. This broader influence underscores the essential nature of leadership in driving progress. • The interviewee sees the role of a leader as crucial not only for guiding their company but also for influencing societal change. Leaders motivate people towards the right path, making their role prominent. They are seen as agents who can inspire many individuals, thereby facilitating the transition to sustainability both within their organizations and in the wider community. • Interviewee 4 underlines that everyone has a role in sustainable transitions, suggesting that leadership qualities are not exclusive to those in high positions. However, leaders have a vital role in communicating their message. • The interviewee has observed in their consulting experience that leaders who possess decision-making authority and a belief in change can be especially effective. They may not always be involved in operational details but are instrumental in bringing

	<p>change things and who ends up taking away this resistance and this inertia, because it is a person who has power, but who can make things easier, and at the same time pass that inspiring vision."</p> <p>"They can really transform and take away a little bit of the fear of those who are below, to be able to do it."</p>	<p>attention to issues and striving for progress. Such leaders can inspire others, overcome resistance and make the process of change smoother by leveraging their power and sharing their vision.</p>
5	<p>"My understanding is that this issue is increasingly on the agenda for two reasons. One, because there are companies that want to tick the box, due to the obligation that regulation requires this tick the box is done, and, therefore, they interpret, if I want to play the game, I must follow these rules, and, therefore, people will follow the rules of the game."</p> <p>"There is a completely different world, and that leaders look at sustainable growth in a completely different way, and, therefore, how can they use this sustainability strategy to make their business grow, regardless of the obligation of limiting to follow the criteria that are required by regulation, and that we have to comply with, and that we have to follow."</p> <p>"This issue has entered the agenda of those who work in strategy, because, in fact, in addition to organic growth, inorganic growth through M&As, joint ventures, it forces that it is necessary to bring a new element of discussion, which is the issue of sustainability."</p> <p>"The way of looking at a market and positioning themselves in a market is completely different, and so they create layers and lenses that go far beyond the tick-to-box that we talked about earlier."</p> <p>"There are some companies that transform the corporate world and go far beyond the rules. They are not the rules that define, but it is the sustainability</p>	<ul style="list-style-type: none"> • The role of leaders in sustainable transitions reflects a dichotomy in how companies approach sustainability. On one hand, there are companies that engage with sustainability as a compliance issue, doing the minimum required to meet regulatory obligations. Leaders in these companies follow the rules because it is necessary to stay in the game, and their actions are driven by the need to obey to external standards. • On the other hand, Interviewee 5 identifies a different group of leaders that view sustainable growth as an integral part of their strategy. These leaders go beyond compliance and leverage sustainability to drive business growth. They see sustainability not as an opportunity to innovate and differentiate themselves in the market. • The interviewee notes that sustainability has become a key element in strategic discussions, including organic and inorganic growth through mergers and acquisitions (M&As) and joint ventures. This new focus on sustainability introduces additional layers to market positioning. • Interviewee 5 also observes that some companies are transforming the corporate

	<p>agenda itself that defines the transformation, obviously, fulfilling the tick-to-box, like all the others, but that is only a mandatory part of the process, and then there is all the rest that depends a lot on them. (...) The consumers, the investors will already be much more aligned with companies that have a sustainable purpose than with another one that only complies with the rule. The rule will have to be fulfilled by everyone, and that will never be a differentiating factor."</p>	<p>world by including sustainability into their agenda. For these companies, fulfilling regulatory requirements is just the starting point and they aim to lead the transformation through their commitment to sustainability. The interviewee suggests that consumers and investors are increasingly aligning with companies that have a genuine sustainable purpose, rather than those that only comply with regulations. The differentiating factor lies in how deeply sustainability is integrated into a company's strategy and operations.</p>
6	<p>"I think that if leadership is not convinced of what it is doing, nothing will happen. When we talk about sustainability in organizations, we often talk about changes in behaviour, but there must be an understanding of what the challenges are."</p> <p>"The question is what they do when a certain type of KPIs that are critical for their business, more than compliance for your business. They don't do anything for them, their business has fallen, their footprint has risen, what are they going to do? And it's fine, you report it, the question is what do they do with this information, what are they doing to reduce this footprint, to reduce risks, to prepare for it, to deal with physical risks, or other transition risks, to deal with issues in the value chain, human rights issues, what are they doing? It's not just reporting."</p> <p>"A CEO of a big Portuguese group said, our first goal is to make money, the second is to make money, the third is to make money, and the fourth is to make money, and then comes compliance, or whatever. We are talking about a client who had subcontractors, and</p>	<ul style="list-style-type: none"> • The role of leaders in sustainable transitions is centred on the conviction and action-oriented approach of leadership. The interviewee believes that without a genuine belief in the importance of sustainability, leaders will not be able to change within their organizations. He emphasizes that sustainability is not just about changing behaviours but also about understanding the challenges and acting upon them. • The interviewee points out that leaders need to look beyond compliance and consider the critical KPIs related to their business. It's not enough to simply report on sustainability metrics, leaders must actively engage with this information and take steps to mitigate risks, reduce negative impacts, and prepare for risks. • Interviewee 6 discusses the importance of financial considerations in the context of sustainability. He describes a conversation with a CEO who prioritized making money

	<p>I said, if you don't calculate that in the process of electing these subcontractors, and monitoring and calculating when they provide services, they provide services in your name, they work for you, in the name of your company, they comply with your safety rules, health, work, human rights issues. If something goes wrong with one of them, you will have a financial impact on your goal 1, 2, 3. But they all want to make money. (...) I'm trying to say is that many times they don't realize the impact that the absence of monitoring, control, or due diligence, on our subcontractors, can have on our business."</p> <p>"We are talking about people who are on the board of the companies, who are naturally competent people, there is no doubt about it. I think that sometimes it is necessary to unblock the subject a little bit, to promote the discussion of the topics. I think it is also part of the way consultants are in the market. Many times, we have organisations, and, in some way, we are creating a new way to look at the strategies of the organizations and understand how the strategies that already exist, how they should be incorporated, what challenges these strategies or pressures are putting on the environment, on society, on communities, or what risks are not being calculated."</p>	<p>above all else, including compliance. The interviewee argues that this mindset overlooks the potential financial impact of not conducting proper monitoring on subcontractors. However, if a subcontractor violates sustainability standards, it can have severe financial repercussions for the company, thus affecting his primary goal of profitability.</p> <ul style="list-style-type: none"> • The interviewee acknowledges that leaders are competent individuals but suggests that there is a need to unlock the topic of sustainability. He believes that consultants can play a role in shaping the market by encouraging organizations to reevaluate their strategies, considering the environmental, social, and community pressures and risks that may not have been accounted for.
7	<p>"I think a leader has to give this awareness to their collaborators and to their colleagues, not only to their collaborators, but also to their peers, to their colleagues, to their clients, to their partners, because we make choices and all our choices have a consequence, and this consequence has to be very well evaluated, because it can be very positive."</p>	<ul style="list-style-type: none"> • Leaders in sustainable transitions are important to raise awareness and set an example. The interviewee believes that a leader must communicate the significance of sustainability to various stakeholders. Leaders should make others aware that every choice has consequences, which need to be carefully evaluated for their impact.

	<p>"And the leader has to have this role to set an example, and to want to set an example for people, to make them want to do more."</p>	<ul style="list-style-type: none"> Interviewee 7 sees the leader's role as being exemplary. Leaders should not only set an example but also actively desire to be role models for others. By doing so, they can motivate people to strive engage in actions that support sustainable transitions.
8	<p>"Sustainability management appears to better understand the risk and externalities in organizations. I think that these two engines, at the same time, from a public point of view, which later become the regulatory one. These two big engines are the ones that caused the biggest change. (...) There is a third strand, in my opinion, which is public awareness. (...) I think that these three factors, simultaneously and in parallel, with interactions, of course, are what makes the biggest difference between the importance of sustainability or the rigor with which sustainability has been worked."</p> <p>"If we think about these three big axes, I think that all of them are marked by strong leadership. And they only happen because there were leaders within these groups (...) and which then leads to the creation of legislation that forces companies and governments to do things."</p> <p>"I think it is an important role, in terms of companies that have this vision, a more progressive vision, and not just that classic vision of increasing profit in the short term, reducing costs, and increasing revenues. It is proven that this, in the long term, has risks of deteriorating the value of the business. (...) And I think that, in all these engines that have led to sustainability being an important topic, it is also due</p>	<ul style="list-style-type: none"> Interviewee 8 identifies three drivers that have influenced the importance of sustainability efforts. Firstly, the interviewee notes that sustainability management helps organizations understand risks and externalities, implying that leaders within this domain have a role in identifying and mitigating factors impact the organization. Secondly, the interviewee mentions the influence of public opinion, which often translates into regulatory pressure. This suggests that leaders who are responsive to public concerns can help shape the regulatory landscape by advocating sustainable practices ahead of legislative requirements. Thirdly, public awareness is also highlighted as a critical factor. As society becomes more conscious of sustainability issues, leaders are expected to respond to this shift in values by aligning their organizations accordingly. Interviewee 8 emphasizes that strong leadership is a common thread across the three axes. They believe that the changes in sustainability practices only occur because of leaders advocate these causes within their respective spheres. These leaders drive the

	to the role of leaders who did it in their areas of action."	<p>creation of legislation and the adoption of sustainable practices within organizations.</p> <ul style="list-style-type: none"> • The interviewee contrasts the progressive vision of sustainability with the classic business focus on short-term profit maximization. He suggests that a short profit can lead to long-term risks. Leaders are seen as instrumental in ensuring that sustainability becomes a critical topic.
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Topic 2: Crucial competences in leadership for sustainable transitions

1	<p>"Leaders have to be intuitive, bold, and also persevering"</p> <p>"Adaptability, I think that's increasingly an expression that we all, not just a leader, we should all be adaptable, read, listen and interpret from there, and adapt ourselves as necessary. Also, empathy. In the word of honour, it seems a very simple thing, but in business it is also necessary to be empathetic"</p> <p>"The leader must be adaptable and intuitive. And this also means having the ability to self -forgive."</p>	<ul style="list-style-type: none"> • Intuition • Boldness • Perseverance • Active Listening/Humility • Adaptability • Empathy • Self-forgiveness
2	<p>"Consistency to build trust. Consistency in communication. And consistency in behaviour."</p> <p>"The strategic vision that we talked about a little while ago. Ethics and responsibility. I think this is very relevant in this transition. To act ethically in all the value chain, we act in. It is not enough for us to say that we are sustainable and that we are promoting sustainable behaviour or actions, or good sustainable practices."</p> <p>"Innovation, or seeking innovation, is fundamental."</p> <p>"And a leader is only a leader, in my opinion, if he can also mobilize, bring the group, motivate, okay? Motivate. And this motivation can be done in multiple</p>	<ul style="list-style-type: none"> • Consistency • Future Thinking • Ethics and Responsibility/Frugality • Innovation • Motivation • Critical Systemic Thinking

	<p>ways. To have a great emotional intelligence, to be empathic, great communicator, and therefore honest, and to be able to captivate people."</p> <p>"I think it has to be a person with a critical systemic thinking within the organization, cooperation, collaboration, because sustainability is working on several dimensions in an integrated way."</p>	
3	<p>"Vision and being able to look and anticipate the future, which I think is fundamental, the other is having the ability to listen."</p> <p>"And this becomes even more interesting when there is also a culture of present and constant innovation. That is, the organization not only feeds what are its growth engines that are mature but is continually looking for a perspective of test and laboratory, of where the new opportunities are. And that is why it is continually testing and prototyping new ideas to be able to identify where the new opportunities are."</p>	<ul style="list-style-type: none"> • Future Thinking • Active Listening/ Humility • Innovation
4	<p>"When we talk about a sustainable transition, even though it is now a very used word, in fact, making this transition with transparency and clarity, it takes a lot of courage from the leaders to be able to do it, and to be able to communicate what they are already doing well, what they are not doing well, what they want to change. It is necessary to have a lot of courage, it is necessary to take risks, it is necessary to take a step forward and have the courage to say, 'I want to go there, so I think that this is a competition that is being won'."</p> <p>"Empathy, without a doubt, a leader who wants to make sustainable transitions and change their companies, it is also a lot to have that empathy."</p>	<ul style="list-style-type: none"> • Courage • Risk-Taking • Empathy • Curiosity

	<p>"It has to be curious, it has to really want to know more in depth what is really happening, and what can we do differently, and what are the others doing, and why are we doing it, and what do they want, I think that is really important, curiosity as well."</p>	
5	<p>"One is they should have the ability to decodify the market, basically, they should have the ability to create their own point of view about the future and how they can generate and capture the greatest value of the future, based on the transformations we have ahead, whether economic, regulatory, technological, social, etc."</p> <p>"Another element, a big one, is the ability to see things in a different way, to look at the competitive context and identify the spaces of unique opportunities, and therefore, the ability to take risks. (...) I think these two characteristics, to create their own point of view about the future and to have the ability and the boldness to take risks, would be fundamental characteristics for these leading companies, because if not, they would only be followers and not those who will be able to transform the business world."</p>	<ul style="list-style-type: none"> • Market Decoding/Strategic Thinking • Future Thinking • Risk-Taking
6	<p>"Enough humility to realize that many times they do not know how to deal with a topic. They should be curious, humble and curious, wanting to know, wanting to learn."</p> <p>"They must be able to monitor and follow up compliance to ensure that, at all times, things are happening as they anticipate. So, this is using the directive as an almost strategic tool to create value for the organization and for society."</p> <p>"Leaders must have a long-term vision. This is very important. (...) But I think we must have this long-</p>	<ul style="list-style-type: none"> • Humility • Curiosity • Compliance Monitoring/Implementation • Future Thinking

	term vision, because the things we do, when we incorporate these dimensions, we are bringing longevity and resilience to the business in the long - term perspective."	
7	<p>"Listen more than speak, because with that, we can effectively do the connecting the dots and make the best, most innovative and most sustainable solutions arrive."</p> <p>"I think a skill related to giving a vision and awareness to people, being authentic, being genuine, transmitting the possibility of making happen, mainly in different ways."</p> <p>"A skill of teaming is also fundamental."</p> <p>"I think originality is an important skill. (...) Adopt the best policies so that the adoption of the transition is successful. For people to adopt that mindset, the leader himself must bring tools based on his skills and disseminate them by his team, so that they can understand the value of why wanting to change, and with that be effective in the change, and perpetuate in their other teams and at home."</p> <p>"More than technical skills that we have to teach our people and provide them with training, with lessons, and with experiences."</p>	<ul style="list-style-type: none"> • Active Listening • Future Thinking • Teaming • Respect/Empathy • Originality
8	<p>"Competences should be adequate to the environment, and we can also talk about the component of social characteristics and interaction. In this case, the leaders must be people who also hear the people around them, who must be able to question and shape their vision as they receive new information. And I think that these are also characteristics of a good leader, because a characteristic of these transitions of sustainability is that they are transitions with very long-time dynamics.</p>	<ul style="list-style-type: none"> • Environmental Awareness/Implementation • Active Listening/Humility • Adaptability • Future Thinking

	Things will not change all at once, so there needs to be some context and adaptability, knowing well where they want to go and ideally when they want to go."	
Topic 3: Common challenges in sustainable transitions		
1	<p>"Sustainability is everything, and it is nothing, but more than anything, it is everything, it is a lot. It is an effective need for us to be permanently aware of what we are dealing with, because it is not a law, it is not a science per se, in fact, it is a series of knowledge that we have or should have, to be able to understand, then, what we call sustainability."</p> <p>"If we go to the commercial side, the goal is profit, without profit, without means, there is no possibility of reaching the goals that these same foundations and vocational initiatives propose."</p> <p>"Things cannot be esoteric, and many times there are many notions, because a lost notion then can expand. So, we must have definitions of things to try to all be directed to what we are talking about."</p>	<ul style="list-style-type: none"> • Multifaceted nature of sustainability • Balancing profit and sustainability
2	<p>"The Corporate Sustainability Reporting Directive ends up being an instrument that reaches more than 1100 organizations in Portugal. Directly. It will impact an entrepreneurial ecosystem of more than 1100 organizations. What is the challenge of these leaders? It's a huge challenge. Why? If we look at it, they are entities that have never had the opportunity to interact on this topic. And suddenly there is a call to action from the EU saying, from now on you will have to start presenting what is the Sustainability Performance Narrative of your organization. And this information has as much validity as the financial information. So, what do you need to do? Look, now you're going to have to start mapping the set of material topics that are</p>	<ul style="list-style-type: none"> • Balancing profit and sustainability • Lack of experience • Recognizing the value of ESG

	<p>relevant to your business from two perspectives. From an impact perspective and understand how your business is impacting the community and the environment of your value chain. And more, you will financially have to understand how, from the outside to the inside, your company will be impacted. And the question is, but I don't have anyone to do this challenge in here. I've never worked on these issues. So, when is this for? When is this for? Your company, from January 1st, 2025, will have to start reporting."</p> <p>"The leaders, or most of the leaders who are part of the organizations, still cannot assess the real added value that embracing or integrating the ESG criteria can bring in terms of competitiveness or even in terms of financial sustainability of the business."</p>	
3	<p>"The issue of sustainability is an issue that has many difficulties today. If we look at it, we are living again a time of great pressure for leaders. Why? Because when you look at sustainability, it is not something that we feel will have an impact today, or tomorrow, in the next day. It is more of a medium and long term. And that is why it is much more difficult for a leader, who must respond to shareholders to justify, we are going to invest today a mountain of money that will only bring us profitability in the medium or long term. And that is the great difficulty with the issue of sustainability. Because it is not something that is seen immediately."</p> <p>"I would say that at the same time the irreverence and the dream of a better world, but then at the same time the lack of some experience that everything seems easy."</p>	<ul style="list-style-type: none"> • Balancing profit and sustainability • Lack of experience

4	<p>"Sometimes it's a little bit of the inertia of the organizations resisting change that makes things more complicated, which doesn't mean that individually people don't want to change things and don't want their company to have a more broad impact (...) people want it, but then when we all get together, I think there's a lot of resistance and (...) also linked a little bit to fear, not knowing what comes from there."</p> <p>"It's still an organization that needs approvals, that needs discussion. Sometimes there's a will to do it, but the organization, because of its control ends up bringing a little inertia that, along with the resistance of the people, ends up making it difficult."</p>	<ul style="list-style-type: none"> • Organizational inertia and resistance to change • Lack of experience
5	<p>"And since we don't have a crystal ball, the big challenge I think there is exactly this accelerated transformation of the world that makes it difficult to analyse the different dimensions of what is happening."</p> <p>"A second point is that when we talk about sustainability, I think here there are still concepts that, although already very worked on, can assume different visions for different people and different perspectives and can be assumed in different ways. And I think the great difficulty is how we can at the same time tick the box to all the themes and still be able to have the flexibility to be able to act in relevant dimensions and not get lost in what is not so important in the theme of sustainability."</p> <p>"And the third challenge is exactly for us to understand whether leaders can create this clear vision of what they want to achieve in the future."</p>	<ul style="list-style-type: none"> • Multifaceted nature of sustainability
6	<p>"I think the directive is a brutal opportunity for companies to understand what the big challenges are"</p>	<ul style="list-style-type: none"> • Recognizing the value of ESG • Multifaceted nature of sustainability

	<p>from an environmental, social and governance point of view. Not only in terms of rights, but also in terms of value chain. What are the big topics? What markets are there? What does it imply from an environmental or social point of view? They have to understand their business for the most critical topics and ensure that they incorporate these concerns in the way they manage them. If it is a critical topic, human rights, an environmental value chain, they must have a due diligence process that allows them to utilize it."</p> <p>"People must understand the challenges of sustainability, the challenges of how they incorporate in the organization and then get to their function and understand their role. I think this cultural dimension and the culturalization is a transformational dimension that is complex to do, because this often involves working with many suppliers or partners or associations or whoever."</p> <p>"I think the big challenge is to bring the organization to a common goal."</p> <p>"I think the dimension of people is one of the big challenges. People are part of this process, starting with the top guy and bringing the whole team to."</p>	<ul style="list-style-type: none"> Aligning personal values and organizational goals
7	<p>"Especially in Portugal, they are still very conservative on some issues, as important as sharing, because there is sensitivity with the other, and sustainability has a lot to do with the other, and they don't change habits, because they always did that way, and this is the most difficult."</p> <p>"Leaders have to keep in mind that it's a process of change that has to be done at the individual level, at the behavioural level, and I don't know if we're there</p>	<ul style="list-style-type: none"> Resistance to change

	<p>yet, I think we're still in the sustainability team wave, we have to have someone responsible."</p>	
8	<p>"I think there is a societal challenge in general, which is to believe in the eternal growth of everything. And that we are used to having all the comfort with the minimum possible time delay. I think that is the biggest challenge. (...) And that leads to a vision of the need for eternal growth. This vision of eternal growth is not compatible with planetary limits, which are physical limits. And I think that is the biggest challenge, the mentality that we can always grow, that everything can always be more, that I can always have more."</p> <p>"We can go through issues like resistance to change, the difficulty that people must adapt, if I do it this way, why do I have to do it differently? And if I go backwards? That kind of thinking. But I think that the big problem is the idea that I have to have everything, the best now and always."</p>	<ul style="list-style-type: none"> • Societal expectations of perpetual growth and its incompatibility with planetary limits • Resistance to change
Topic 4: Generational differences in leadership approaches		
1	<p>"It seems to me that sometimes, regardless of the person, staying here the older generations (...) they are starting to be more open to these issues, but probably because what surrounds them, the economic, regulatory, fiscal environment that surrounds them, also forces them to this situation. (...) Sometimes I think that the most recent generations, as they are already a little more imbued with all this logic, all this argumentation, of experiencing phenomena a little more adverse, in a way that perhaps the older people did not hear them say before. They already come with a mindset, that's the question. I think it's the mindset</p>	<ul style="list-style-type: none"> • Interviewee 1 confirms that there are generational differences in leadership approaches to sustainable transitions. • Interviewee defends that older generations are becoming more open to sustainability issues, but this shift is driven by external factors that compel them to adapt. This implies that their mindset change is reactive rather than proactive. • In contrast, the interviewee believes that the most recent generations are more naturally attuned to sustainability. They have grown up with greater awareness of environmental

	<p>you're already in, differently from the mindset you're creating when you're already in there."</p>	<p>issues and have experienced more adverse phenomena, which has shaped their mindset.</p> <ul style="list-style-type: none"> • The difference highlighted by the interviewee is between a mindset that is being actively developed in response to changing circumstances (older generations) versus a mindset that is already ingrained due to their education and societal influences (younger generations).
2	<p>"But, in fact, it is sometimes easier for you to be able to communicate these issues with younger generations. Why? Because these generations see the world a little bit with different lenses. Your generation is a generation that is understood as the most eco-sensitive generation, the one that is most sensitive to sustainability issues. And why? Because they had an education at some point that allowed them to build this vision, ok? And then this education, training, awareness is so important. And there is a generational gap in the subject, ok? And this inevitably can be seen, but it doesn't mean that generations older than us sometimes don't have the capacity to see it."</p> <p>"I think you will be the driving force for change. We can talk about directives, about regulations, and let's go back to what we were talking about earlier. In the end, it's all about behaviour, and behaviour is important."</p> <p>"And I recognize skills in you that I don't recognize in my generation. The ability to say no, to show what you think, what you want. You know exactly what you want. So, if you say, I want this to be more sustainable, this happens."</p>	<ul style="list-style-type: none"> • Interviewee 2 confirms that there are generational differences in how sustainability is perceived and communicated, with younger generations being more proactive regarding these issues. • The interviewee finds it easier to discuss sustainability topics with younger generations because they view the world through a different point of views: more eco-sensitive and adjusted to sustainability issues due to their education and awareness. But it does not mean that older generations are incapable of embracing them. • The interviewee believes that younger generations will be the driving force for change in sustainability. Regulations and directives are important, but it is behaviour that matters most, and younger generations are credited with the ability to assertively express their opinions, including the demand for more sustainable practices. The interviewee admires this determination, which can lead to tangible action when they insist on sustainability.

3	<p>"Most of the people in my generation lived in a world where the themes of consumption were the way of growth. The growth of the economy had to do with encouraging a lot of consumption. We were trained to create strategies of continuous growth by increasing consumption. And the concern that they were not inexhaustible was not at the beginning of our formation as being part of our DNA. Unlike the younger generations that were born clearly in a world that had a culture of attention, that resources are expendable and that we must make that transformation."</p> <p>"I wouldn't say it's a generational conflict, but clearly, it's easier for I would say it's an imperative also, as is obvious for those who are younger, to influence and accelerate this change. If you ask me if I think they're doing it the right way, I don't think so. Why? Because the way the demonstrations are being held often fall into ridicule and end up not having the good sense for other people to take seriously some of the things that are being done. But I think it's a mixture of both. I think the more senior people are clearly realizing and have already realized that it's necessary to do this."</p>	<ul style="list-style-type: none"> • Interviewee 3 confirms there are generational differences in the approach to sustainability. • The interviewee explains that his generation was raised in a world where economic growth was closely tied to increasing consumption and less concern for the exhaustibility of resources. Older generations have had to adapt their perspectives to recognize that resources are not inexhaustible. • In contrast, younger generations have grown up in a world that recognizes the limitations of resources. The interviewee believes it is imperative for younger generations to influence change towards sustainability. However, the interviewee expresses scepticism about the methods used by some younger activists, suggesting that certain demonstrations may not always transmit the message. The interviewee implies that a combination of insights from both older and younger generations is necessary to drive sustainable transitions. While younger generations can bring urgency and a fresh perspective.
4	<p>"I think different generations want completely different things, have different goals. The younger generations want things a little bit different, of course, from what our parents wanted. I think it will depend on a lot and it has nothing to do with age. I think it has to do with this question of being a leader, whatever it is the generation must be an open leader, an empathic leader, a leader who wants to hear, someone who wants to reach everyone, and not just those who</p>	<ul style="list-style-type: none"> • Interviewee 4 defends that, although there are differences in generational cohorts, the leadership approach in sustainable transitions is not determined by age. • The interviewee emphasizes that leadership qualities such as openness, empathy, the willingness to listen and engage with diverse perspectives are important for a leader, regardless of their age. A leader can have

	<p>believe. I think that leader can be older, be 70 years old, be 60, be 50, or be 20, and I think what matters is that they are open to being able to hear others."</p> <p>"Sometimes it is the youngest ones saying that we should not do it. We have sometimes very young leaders, and supposedly you were waiting for super innovative ideas, and to want to change, and they are not like that. Sometimes it also has to do with security, older generations already have security in their position, the others don't, so I think it is not just the age, I think it also has to do with the positions, and the experiences."</p>	<p>these qualities whether they are 20 or older, because the capacity to be open and receptive is what matters most, not the numerical age.</p> <ul style="list-style-type: none"> • There is an expectation that younger leaders bring innovative ideas and a desire for change, but this is not always the case. The interviewee notes that sometimes younger leaders may be more conservative, because the sense of security in their position can influence their approach to change. Older generations might feel more open to taking risks, while younger leaders may not have the same level of security.
5	<p>"Look, I don't think the topic is so much about generation, but I think it's about mindset. I think we have leaders more arrogant, with more will to create, to think differently, and I think it's more in the person's DNA than in the generational. But we will always have people from older generations that bring less of this topic to the agenda."</p> <p>"There are leaders that say this is something that won't impact them, and therefore it's something that they will push with their belly, from now on. There are others that say no, we're going to solve it now, because it's being asked, and this is going to happen. And there is that third group regardless of the regulation, how can they position themselves and differentiate in this competitive space of sustainability and position themselves with some relevant world players that are already way ahead of the regulation, and therefore how can they position themselves and transform sustainability as a competitive advantage."</p>	<ul style="list-style-type: none"> • Interviewee 5 defends that the leadership approach to sustainable transitions is influenced more by individual attitudes and organizational strategies than by the generation cohort of the leader. • The interviewee believes that the key factor is not the generation to which a leader belongs but rather their mindset, because be innovative, think differently, and create change is part of an individual's DNA rather than their age group. • While there may be a tendency for older generations to place less emphasis on sustainability, there are still individuals within those cohorts who prioritize and prioritize these issues. • Leaders have different reactions to the impact of sustainability on their operations. Some may be indifferent, believing that sustainability will not affect them and can be

		<p>postponed. Others may address it promptly because it is a current requirement. Others value sustainability to differentiate themselves, using sustainability as a competitive advantage.</p>
6	<p>"I don't know if it changes by generation. But maybe... The youngest boards have a tendency, and this is not always true, because there are exceptions, but obviously, they have a more open mindset to think about this in a more strategic way. The lack of generation, I mean, at least one before me, so one leader above, 52, 60, or something like that. I think it's more difficult to accept, and there's always that argument that this is for money, this is for money."</p> <p>"I could say that there's a tendency, but as I said, this is not a statistic, it's just an opinion."</p>	<ul style="list-style-type: none"> • Interviewee 6 perceives a potential generational inclination towards sustainability, with younger leaders being more open, while some older leaders being more resistant and financially driven. However, he concerns that this is a generalization and not a definitive assessment of generational attitudes. • Interviewee 4 defends that younger leaders may be more inclined to think about sustainability in a strategic way, due to being more informed about current trends. Leaders from older generations may find it more challenging to accept sustainability as a priority and view sustainability initiatives primarily through a monetary lens. • The interviewee emphasizes that this observation is based on his opinion and not in statistical evidence. He recognizes that while there might be a generational tendency, it is not universally applicable, because there are individuals from older generations who are receptive.
7	<p>"The younger ones, in this case, have a totally different vision, they are super concerned with the water running in the tap, because you're going to brush your teeth, with the water running to fill the tap, the leftover water from cooking doesn't go to the trash, and I'm a</p>	<ul style="list-style-type: none"> • Interviewee 7 suggests that younger generations have a different approach on sustainability, shaped by education and awareness of sustainability issues.

	<p>bit open-minded, where did they learn all this? What do you do with organic waste? I think that schools have done an excellent job at that point. (...) I felt bad for not having that literacy of sustainability, and I think that also motivates us to look for more and do more."</p>	<ul style="list-style-type: none"> • Younger individuals are described as being acutely aware of everyday environmental impacts. The interviewee credits schools with doing an excellent job in teaching sustainability practices, which has led to younger generations being more informed and conscientious about environmental issues. • The interviewee expresses a sense of inadequacy since older generations do not have the same level of sustainability literacy as younger people, which motivates them to seek more knowledge and take more action in the scope of sustainability.
8	<p>"I think there are generational differences in the priorities about sustainable transition. But it has to do with, it is more related, perhaps with the way people grew up and with the way, what was important for them during critical periods of their lives. It depends on their personal experiences, honestly. We can observe a tendency for older people to be more sceptical about changes, because they have been through many more changes in their life, and younger people to be more anxious about change and want to speed up the processes. I think this has more to do, not specifically with the characteristics of leadership, but with the characteristics of people."</p> <p>"I've heard in board meetings very wise words from older people, (...) and very young people focused on the short-term return. The priority is to make money, the second is to make money, and the third is to make money. I've heard things like that. But that's not the</p>	<ul style="list-style-type: none"> • Interviewee 8 recognizes that generational differences in sustainability priorities are influenced by life experiences and personal characteristics, with a range of attitudes observed within any generational cohort. • Interviewee 8 defends that the way people prioritize sustainability may be linked to their past, such as their formative years and major life events. Older individuals may exhibit more scepticism towards change, potentially because they have experienced a larger number of changes throughout their lives and may have developed a restrained approach as a result. Younger people may demonstrate a greater willingness to advance with sustainable transitions, possibly due to growing up in an era where the urgency of sustainability issues is more pronounced.

	<p>standard, in fact. If we look at the normal situation, it's not the standard."</p>	<ul style="list-style-type: none"> The interviewee notes that while there may be exceptions because he has observed older individuals providing wise insights in board meetings and younger individuals focusing on short-term financial gains and this indicates that attitudes towards sustainability and change are not uniform across any generation.
Topic 5: Advice for future leaders		
1	<p>"We are in the business world, but businesses are made for and by people. So, once again, climate change can't be done if you don't believe, in my opinion, it can't be done if the leader doesn't believe in what he is doing, and can adapt, even baby steps, and control, modify, alter, increase, whatever. And the error is human."</p> <p>"Study. It's not just a matter of technological innovation, it's about being in such an update of knowledge. So, everything is evolutive. They must be in permanent disruption with themselves."</p> <p>"I would also say is permanent dissatisfaction. Dissatisfaction in the sense of improving. I can always be better, more effective, more efficient."</p> <p>"A leader can't be closed. He must have the ability to intuit, adapt, innovate and learn. Being in permanent challenge in what is his vision."</p>	<ul style="list-style-type: none"> Interviewee 1 advises leaders to be adaptable, continuously learn, embrace innovation, and maintain a commitment to improving their sustainability efforts. They should believe in their mission, be open to change, and willing to challenge their own assumptions to lead their organizations through the complexities of sustainable transitions.
2	<p>"Courage. They need a lot of courage. The courage to be able to deconstruct the lobbies that exist. The courage to be bold and take forward what is our opinion, our position. The will to take it further, to go beyond your voice in these topics, to make yourself heard. And sometimes we scream, but no one hears us. Our scream is silent, you know?"</p>	<ul style="list-style-type: none"> Interviewee 2 advice leaders to be courageous, vocal, and informed. They should use the resources and support available to them, including the knowledge from older generations and the capabilities of modern technology, such as co-pilots and

	<p>"I think they have spectacular characteristics here. They have a knowledge and access to information that we never had. And they should capitalize on that. I think your generation has the support of this generation (...) and so, we're almost doing... Synergy."</p> <p>"You have information, training, that we didn't have, right? (...) Younger leaders have a world of information and must be more selective, they have these co-pilots, this artificial intelligence."</p>	<p>artificial intelligence, to lead sustainable transitions.</p>
3	<p>"I think that dreaming is something that is very important for us human beings. To look at the world and have dreams about what we want to happen. That's some advice, don't stop dreaming. For men and women who don't have dreams, I think they are sad people. Why? Because they can't idealize and envision the future."</p> <p>"I believe a lot that creativity is what transforms innovations and brings innovation, but at the same time I want to believe that when I build a bridge or when I go on a plane, it's an engineer who has to see if everything is in order so that it doesn't fall, and the plane doesn't fall."</p> <p>"Believe that it is possible to change the world, change organizations, change society. But then do it with method, with frameworks, with tools, with process. Because we need these things to be able to reach a certain point, which is that vision, that dream that we have."</p>	<ul style="list-style-type: none"> Interviewee 3 advises emerging leaders to keep dreaming and to use their creativity to inspire innovation. At the same time, they should ground their efforts in expertise and structured methods to realize their vision for sustainable transitions.
4	<p>"They need to surround themselves with people with more diversity, different visions, experiences, backgrounds, who bring new information, added value, from different ages, and different profiles."</p>	<ul style="list-style-type: none"> Interviewee 4 emphasizes the importance of diversity and courage for emerging leaders. A diverse team can provide more knowledge and innovative ideas, while courage enables

	"It will always bring added value: the courage of the leader to continue to make changes."	leaders to implement the necessary changes and guide their organizations towards sustainability.
5	<p>"The future will come much faster than we think, and therefore these pressures of working on sustainability issues will happen much faster than the regulation imposes, and therefore my advice is to try to anticipate the future and to try to be aware of the transformation. There are some who are waiting for the regulation to6 pressure them, others who go at the wheel of the transformation. Therefore, my advice is not to wait for the transformation, but be the actors of the transformation and be them who go in the place of the driver and not the passenger. Other advice is to be aware of what is happening out there, the great social, economic and regulatory trends that we were talking about earlier, and don't just stick to the regulatory. Try to find their own point of view about the future, which is in that white space that we will be able to find value in."</p>	<ul style="list-style-type: none"> Interviewee 5 encourages leaders to be forward-thinking and active agents of change, to stay informed about global trends, and to innovate beyond what is currently regulated. By doing so, they can lead their organizations to capitalize on opportunities in the evolving landscape of sustainability.
6	<p>"I advise people to have an open mind, to have humility, and to study the subject. I think it's important to study, to read, and it's not very difficult to go to the newspapers. (...) But I think that maybe humility, training."</p> <p>"I think the administrations should cultivate this need to learn, to let themselves be challenged, without any taboos, and to challenge, because if people are there, it's because they naturally have some competence and capacity."</p>	<ul style="list-style-type: none"> Interviewee 6 advises leaders to maintain an open mind, practice humility, engage in continuous learning, cultivate a culture of learning and challenge within their organizations, and recognize and utilize the competences of their teams. These practices will help leaders, and their organizations navigate the complexities of sustainable transitions.
7	"I think leaders should continue to question instead of affirming. I think there are many leaders who like to affirm themselves, but no, ignorance is a blessing, and	<ul style="list-style-type: none"> Interviewee 7 advises leaders to remain curious, acknowledge their limitations, and continuously seek knowledge. They should

	<p>we must know how to have this ignorance as a great ally in wanting to know more. And we are very ignorant in this, even though we are very good, and we already give lectures and read a book. Sustainability is not the norm, it is not what the law says. Sustainability goes in behaviour, it goes in adoption, it goes in mindset, and leaders must want to be bolder, ambitious, go further, but not alone."</p>	<p>understand that sustainability is a comprehensive concept that involves behaviour and mindset, not just compliance. Leaders are encouraged to be bold, set ambitious goals, and pursue these goals collaboratively rather than individually.</p>
8	<p>"I think there are generational differences in the priorities "I think it will be something even related to understand well where we must go and don't stop because of tiredness. Because this takes time. And people are all different. And that's what... And on top of that, they change over time. And to make a collective transformation it is necessary to have... It is necessary to work with a lot of people. It is necessary to work with a lot of different people. And it is necessary for all of them to be able to share the same vision of where they want to go. Or a similar vision of where they want to go."</p>	<ul style="list-style-type: none"> Interviewee 8 suggests that leaders must be clear about their sustainability goals, be patient and persistent, value and work with diverse teams, adapt to changes in people over time, and foster a shared vision to successfully lead sustainable transitions.